Values in Action: The Meaning of Executive Vignettes

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The Importance of Executive Vignettes

The premise of this paper is that organizational and individual values are cemented not only through grand events, but also through small ones; not just through public dramas, but more often through the personal drama of experience. Most often, these events are little more than snapshots in time, vignettes or episodes vividly remembered even decades later.

The protagonists in this case were executives (and future executives) recalling short, short stories from their careers, where as participants (and occasionally as observers) they were caught in values confrontations, usually with their bosses. Their descriptions of the events were brief word pictures, most properly called vignettes, as they sketched confrontations over values or cited episodes which helped them elaborate or clarify their values.

The events were usually described out of context, with only the "snapshot" remaining. The vignettes appear to have survived because they symbolize moral imperatives, most often what one ought or ought not to do in dealing with other people and how one should behave in a management role. Since these episodes took place in an organizational context, judgment was often placed on the organization as well: This is the right or wrong way to treat people here, this is what happens to those who treat people well or poorly, or this is how political situations get handled in this organization.

The importance of these brief events is twofold: 1) they depict important values issues for managers and executives; 2) they appear as a group to reflect the unwritten values stances of organizations; in a sense, vignettes such as these convey and define what is uniquely good and bad about a corporate culture.

The point this paper will attempt to make is that these vignettes collectively have major significance for organizations, and what they signify needs to be managed to enhance individual and organizational effectiveness. These values profiles, as much as product lines or profitability, seem to define executives' views of their organization as unique and worth working for (or not). Understanding and becoming acculturated into their organization's milieu is as important developmentally as any series of jobs they hold, and some of this development occurs through small, deeply personal events.

What Are These Vignettes?

The first executive I interviewed was nearing retirement. He had received the interview questions two weeks in advance because we were seeking in-depth responses from across a career that spanned 35 years. The questions themselves were a little unusual. What was your "darkest hour"? "first quantum leap"? "most significant act of procrastination"? These are questions that demand reflection, and he, as most of the 86 executives interviewed had, prepared his responses as handwritten notes.

As I sat across the desk from him, I wasn't sure what I expected to hear. If anything, major decisions he had made, triumphs over the competition and coups of one sort or another. One of his responses to the first question, however, was a short, short story:

> I was out in the West Texas oilfields in 1950 when a batch of material was ruined. An investigation ensued and sure enough, a guy had made a mistake. A little later, a dusty pickup truck bumped up and a grizzled foreman got out and lit into the guy. The fellow explained his rationale as best he could, but the foreman cut him off. "You don't get paid to <u>think</u>," he snapped.

The executive paused, then said to me in a disgusted tone, "I was appalled. I vowed never, never to be that way myself."

I believed immediately that the event had an impact on him, and found out later that he was revered as a gentle maverick around the corporation. That he might have developed a different approach to management as a result of this snapshot seemed a bit farfetched, however. Only after we completed our interviews in the original three corporations (and later replicated our findings in three survey studies) did we fully appreciate the importance of that first tale. (See Appendix A, page 27 for a brief description of the studies.)

When we asked for the three key developmental events or episodes in their careers, 25% of executives told at least one vignette of the sort above. One of every nine or ten turning-point events was a seemingly simplistic sketch, often a brief episode whose developmental weight was nearly as important as three major types of job assignments (see Figure 1).

Although the nearly 100 vignettes were as varied as the people who told them, they shared the common characteristic of clarifying, symbolizing, testing, or confirming some value the manager held, or thought was important.

Scope Jobs - dramatic changes in job responsibility	16.9%
Projects & Task Forces - time-limited projects on important problems, usually in addition to one's normal job	12.3%
Fix-It Jobs - turning around units in trouble	10.6%
Values Playing Out	10.6%

Figure 1
Four Most Common Developmental Events

As in the preceding example, the events were told in the black-and-white tones of a morality play. This appears to be because values are most often tested in tough, negative situations where levels in the hierarchy clash somehow. If the story was about self, executives usually believed their motives were straightforward and the impact of the actions was good; if the story was about superiors (overwhelmingly immediate bosses), the executives were much more likely to attribute bad outcomes to the bad intentions of the other person. In short, there was a strong tendency to be self-serving, to assume that good results were due to one's own actions and bad results were due to the actions of others. (See Appendix B, page 29, for details.)

Essentially, these vignettes answer implied questions such as:

1. How do things work around here politically? Are mistakes fatal? How do decisions really get made?

2. How should others be treated? What is the attitude toward firing or developing others?

3. How do I get ahead?

Finally, virtually all the vignettes address an ubiquitous question:

4. What is the proper role of a manager? What behaviorally defines leadership or integrity?

Executive vignettes on these issues might be dismissed as self-serving, but this misses the more important point--taken collectively, they represent the standard of behavior by which they believe individuals should be judged. These standards varied little across organizations and essentially reduce abstractions like trust, integrity, and respect for others to concrete rules of thumb illustrated by these skeletal scenarios. As such, they represent some important organizational arenas in which values play out, and then point to what can be learned from these experiences.

The meaning of these vignettes for individuals will be discussed first. In the following section, the collective statement executives seem to be making about their organizations will be discussed.

Vignettes Executives Remember

The stories managers told involving values can be grouped into four categories: (1) stories dealing with political situations; (2) stories dealing with the proper treatment of others; (3) stories about how to get ahead; and (4) stories about the proper managerial role. Under each type of story I will discuss several prominent themes that emerged, present illustrative vignettes and reported learning, and summarize the overall lessons of each category.

1. How Do Things Work Around Here Politically?

In these stories, executives focused on themes of perseverance and knowing when to take a risk. The positive tales revolved around enduring tough situations and standing up to top management; the negative tales recounted times when others caved in to upper management or failed to take a stand.

Theme: In political situations, endurance is required

In the interviews we heard about managers who endured working for bad bosses, who became organizational outcasts, whose promotions were blocked or resented by former bosses and peers. We also heard about managers who bore the blame for the mistakes of others. What follows is a typical tale.

> I was acting Shift Foreman on third shift. The department foreman gave me instructions on how to handle a problem which he knew would happen on my next shift. I followed his instructions. Because his instructions were wrong, I was given the blame and removed from the

acting Shift Foreman job. I never told anyone that I was acting under instructions from my boss. A short time later I was promoted to Shift Foreman and continued to work for the same department foreman.

What I learned:

- Don't give up when faced with adversity even when you know you are being wronged.
- I made a vow to myself to never let anyone take the blame for something I did or told someone else to do. This I have always adhered to.
- Accept the consequences of your actions. Don't pass the buck.
- Hard work and applying your abilities will enable you to obtain your goals.

Theme: In political situations, stand up for your beliefs

The executives interviewed drew a distinction between situations in which it was best to endure and those in which one would stand up to management. Endurance is usually called for when one is the victim by events beyond one's control--being resented by others, inheriting a bad boss, receiving poor instruction. On the other hand, one should stand and be counted on matters of business and professional judgment.

I offered a lone dissenting opinion on a major advertising campaign change in a meeting of top company and agency management. The company was trying to take a local advertising program and replace our long-running national campaign. I alone argued against the change.

One week later in a presentation to the CEO by the company and agency presidents, the CEO directed that the company stay with its ongoing national advertising.

What I learned:

- I learned to stand by my professional judgment.
- My opinion was not required and to voice an objection was a career risk. It was important to me to offer my best professional advice.
- I learned what it means to have someone at top management (CEO) agree with some judgment that appeared to be in the minority at best.

The executives also reported learning the importance of standing up for one's beliefs by watching others who failed to do so. They told about learning what <u>not</u> to do from being lied to about their next job, being skewered in reorganizations, and being given blatantly unfair appraisals that were overcome only through long effort.

Theme: In political situations, don't squabble for turf

One theme came only from the negative stories about people who fought turf battles instead of focusing on their jobs:

> As a monthly presenter to top management and as a player in the company's budgeting process, I observed conflict and cooperation among senior department heads.
>
> Likewise, as a mini-department head in finance, I was subject to the same results versus headcount versus turf pressure and temptations as the real department heads.
>
> What I learned:
>
> - Don't squabble for turf; it's unseemly and counterproductive. If you're good, more work will come your way than you can handle. Have your own strong personal standards. Life is too short for a lot of things.

Lessons from political situations:

The central lesson theme was the importance of persevering in a political system.* Overall, most of the reported lessons were pragmatic, even upbeat in the face of adversity. The model response was to view political situations as just one more problem to overcome. Even when managers bore the brunt of poor treatment, their responses were usually pragmatic:

> Measure people by their commitment to and achievement of results--not intellectual flash or political coups.
>
> In large political organizations, you must manage many sometimes competing constituencies...you <u>can</u> accomplish your objectives.

There were cynical lessons as well, the most cynical ones coming from watching others "done in." After seeing two

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*Based on content codings of lesson themes. The lesson discussion is based on all politically oriented values events, not just the three examples given.

bosses fired unfairly and one planner who was blackballed (see page 10), some executives made comments such as "style supercedes substance" and "excellent performance is not relevant to success." This cynicism probably resulted from seeing others bullied and feeling powerless to stop it.

The reason such vignettes appear to be recalled is that they serve as triggers for a preferred way of dealing with political situations: hang in, maintain composure, fight with facts, be more concerned with what you're trying to do than who you're trying to impress, and show some guts but don't scapegoat. This "proper" stance rarely varied; the cynical comments were organizational indictments (to be discussed later).

2. How Should Others Be Treated?

Vignettes on this topic were ordinarily subordinate-focused and dealt with how they should be treated in order to motivate them. The most common positive tales dealt with what managers did to increase employee involvement; the negative tales again dealt with what other people did, focusing on unethical and callous behavior.

Theme: Involve employees

> I took over a plant with a history of poor profitability, productivity, quality, and scrap performance. The plant's management was very archaic, rigid, and authoritative. After two years of frustration using the same "X" style of management and not obtaining the necessary results, I decided to embark on a total organizational development program.
>
> The program's major focus was "employee involvement." A key ingredient was monthly meetings with groups containing all of our employees. The meetings were very difficult to conduct. There was always the adverse comments of the vocal minority questioning all my comments and bitterly complaining of the plant management and working conditions. Shortly after the meetings began, plant performance began improving steadily and consistently; however, I did not have any positive evidence that employee attitudes had really changed, or what effect it may have had on the improvements.
>
> Two years after the program began, I was transferred. The announcement was made immediately prior to a series of employee meetings that were scheduled. I decided to go ahead anyway and have the meetings to say my goodbyes, still not knowing if they were really working. During the last meeting, an employee asked to

speak. This person was very vocal, complaining, and generally critical of management practices in past meetings.

When she started to speak, she broke up, and then thanked me for giving all the employees their self-respect back by listening and sharing information which was pertinent to their jobs and accepting their involvement in the plant operations.

My question was answered--it works!

What I learned:

Employee involvement is essential to the success of any business. I am now a disciple of this philosophy of management. It is not an easy, short trip but one that requires patience and discipline to reap its rewards.

Theme: Treat others with respect

The negative vignettes again taught object lessons such as don't lie, show that you care, and behave in a trustworthy manner. The poor example of others was transformed into something positive as managers saw and felt the impact of harsh or indifferent treatment.

Some examples of poor treatment of others from the stories we heard: One boss was so hard to influence that his subordinates--a group of young engineers--held meetings to discuss how to get projects approved by making the boss think the engineers' ideas were his. Another boss never bothered to explain simple manufacturing processes to workers, even though doing so would have prevented problems. One insensitive manager pressured a subordinate so hard the man had a nervous breakdown. Another manager quit, then raided the best employees from his former employer's staff. Sometimes, people simply told lies:

> I counseled a manager on a situation which called for a business risk on a legal issue. It was not my practice to put such matters in writing. When the manager's decision did not pan out, he denied ever having received the initial advice, characterizing my advice as unqualified approval, which association I will now charitably characterize as factually not accurate.
>
> What I learned:
>
> People will make outright misrepresentations to save their own skin. However, this was, I think, the only time this had happened to me before or since, which says

> something for the level of integrity at [the corporation]. The manager in question is no longer with [the corporation]. I learned not to overreact in such a predicament, to rely on my own hard-earned credibility, and that ultimately people who act in such a fashion leave.

Lessons concerning the treatment of others:

These events seemed to serve as shorthand reminders that the proper treatment of others is a critical responsibility. They demonstrate how inspirational ethical actions can be, and how much difference proper involvement of subordinates can make. Focusing on the varying impact of good and poor treatment, they reminded managers that others should be treated with dignity.

3. How Do I Get Ahead?

The issue of getting ahead is partially addressed under the discussion of political situations where executives spoke of persevering through adversity and taking calculated risks for which they were eventually rewarded. When they specifically focused on "getting ahead" events, the positive events involved sagacious bosses who provided career counseling; the negative ones featured cronyism and bosses who skewered people for telling the truth, or who covered up unpleasant issues.

Theme: Action beats thinking about it

> Early in my career, I was an idea man--I could always come up with better ways to do things--ideas nobody could come up with. One day my boss called me in and said, "We are tired of all your great ideas. We want to know what you can <u>do</u>. I want you to pick something and go with it, prove <u>you</u> can follow through on your ideas." I did and it was a successful project.
>
> What I learned:
>
> - The value of action/results over analysis/thinking.
> - How seasoned businessmen evaluate contribution.
> - I could do it as well as suggest it for others to do.
> - Doing it was harder than creating the idea.

Theme: Give 105%

> One year after my training, I was asked to move to a new and struggling plant. After having been there for several weeks I happened to be in the plant manager's

office, alone with him, when the quitting buzzer rang and a slight stampede started for the exits. Needless to say, he was a wee bit upset, but he obviously saw the opportunity to make a point with me. It went something like this: If an individual was really ambitious and wanted to get ahead in any endeavor, all he needed to do was put out 105%. He went on to explain that even the 105% wasn't very much; it was more than enough for an individual to stand tall and be recognized as a "comer," or someone surely that might have some potential and should be given some extra attention. He went on to add further that too many people were content to do just what was required and, in many cases, many people don't even do that. Unfortunately, I find the latter true today.

What I learned:

I think I'm making a fair and true assumption here that this plant manager already knew that he had an individual who would put out in excess of 100%. I've never forgotten the episode and I've used it many, many times to make a point to high-potential young people.

Theme: Focus on the job you're in

The executives interviewed had witnessed people fired so that a boss's cronies could move in; they had seen other managers who wouldn't confront issues for fear of slowing their career progression. In the following tale, a person's career was halted because he dared to tell the truth about a poor-performing division:

I had a planner working for me tracking a division. He came to the conclusion that the group was not price-competitive and presented a well-supported argument to top management recommending the situation be corrected. Although he was one of the best planners, he could never be placed because the group recalled this incident.

What I learned:

[The corporation] is an overly political culture where style supercedes substance.

Again, these tales teach by exception. The planner's actions were correct (i.e., he did his job well); the indictment is of the organization (to be discussed later).

Lessons on how to get ahead:

The overall lessons that executives drew from these values events was that the way to get ahead was to worry about accomplishment in the jobs they were in, and not try to get promoted or rotated into a visible position for "ticket-punching" purposes. The lessons that stuck revolved around finding a challenging job and working hard at it, not in being flashy or cultivating the right image with upper management. Another study we did of executive success and derailment (McCall & Lombardo, 1983) had a similar finding.

4. What is the Proper Role of and Deportment for a Manager?

The vignettes about this issue expressed a manager's rule of thumb: what to do and what not to do. Again, when executives specifically spoke of deportment, they usually used an admired or despised boss as a symbol.

Theme: Be structuring, be participative, be kind, and teach

Most of these events used bosses as symbols of certain desirable types of behavior.

> The Structuring: A new boss introduced us to a set of management practices which appeared on the surface to be a set of principles appropriate to management of the Gestapo. Yet through coaching, discussion, and application, these have come to be a baseline for my managerial approach. In an organization where protected knowledge was a way of life, these practices materially opened up the organization by differentiating between line and staff relationships, accountability, and by focusing on what management is.

This manager learned that structuring behavior is not totalitarian behavior, and that lines of authority can be useful. Some of his lessons were:

- A manager is accountable for everything in his organization.
- A manager has responsibility for upward corrective actions.
- A manager must take care of boss, peers, and subordinates.
- A manager must support organizational decisions and policy.
- A manager does not require authority to meet accountability.

> The Participative: While serving as a naval aviator, we had two identical squadrons, both having identical goals and objectives. One squadron was commanded by an

authoritative, demanding skipper who issued "orders" to meet the objective of flying 80 hours/month/airplane. The other squadron skipper called his troops together and stated the objective and asked that they put together a plan on how to attain [the objective].

The first squadron started flying seven days a week and still fell short. The second squadron, implementing a plan all hands had developed, started flying around the clock on Monday. As soon as they had 20 hours/airplane, which was usually by Thursday, they took off on a 3-4 day weekend.

What I learned:

- Participatory management gets better results.
- Break goals into smaller obtainable increments.

The Kind: Other tales dealt with human kindness that managers found exceptional. One executive kept his promise to the executive when he was a young manager and rescued him from a dead-end job. A plant manager personally welcomed and choreographed the entry process of a nervous young "yankee" manager and his family to the Deep South.

The Teachers: My boss [located in another city] called one morning and chewed me out at length. To a degree I deserved it, but felt I got a lot more than deserved. I was upset with myself for deserving the chewing out, and mad that I got the overdose. Late that afternoon my boss called again on some pretext and asked some innocuous questions about an issue of little significance. The real reason for the call--to let me know that the issue of the a.m. was all over now and that I wasn't being criticized in general, but only for my temporarily inadequate performance. It was back to business as usual.

What I learned:

If for some good reason you have to "knock them down," then you also have to "pick them up." You criticize the action, not the person.

Theme: Stick to the basics of the management job

Half the values vignettes we heard dealt with negative examples of behavior and have been mentioned previously. There was also one small category in which executives castigated themselves for displaying poor behavior or ignoring values they believed were important.

Whether they bypassed a boss or forgot to check out important decisions with subordinates, a few executives lamented an ill-advised move they had made. One manager tried to do all the work himself, only to be overwhelmed by it. Another stayed with the same boss so long that questions arose about his ability to stand alone. One got into a conflict with a union president because he assumed their goals were different. And one found that his approach to management was "horrible":

> In conjunction with [a consulting firm] I did extensive survey work of my subordinate staff to assess the professional climate. The results were horrible. Resurveyed approximately nine months later, the results had significantly improved. This was an important event to me as it shattered many of my perceptions/illusions about my management style. This feedback has allowed me to reshape my approach to management and get significantly better results.
>
> What I learned:
>
> - It is better to be confrontative and direct than to finesse transactions.
> - That people who work hard never get enough recognition.
> - That people need to feel you care about them as a manager.
> - That assumptions about what people know are usually inflated/training very important.
> - Coaching/feedback critical.

In these cases, managers believed they had ignored a basic responsibility of their job--to coach, to inform, to delegate, to set a developmental climate. These events served as reminders of the necessities of their roles.

Lessons on the role of the manager:

In a sense, all four types of vignettes have the same theme as this last one: All revolve around the proper role of the manager in values confrontations. Lessons of proper management values dominate, appearing as the most common theme in all categories of vignettes. The lessons vary in source with roughly half coming through the positive events and half through the negative ones.

From the positive events, managers reported learning these lessons directly from seeing how people responded to challenge, autonomy, credit and consideration of their ideas. They found something enduring in the words <u>trust</u> and <u>integrity</u> because they saw the impact on others or felt the impact themselves when they had an admirable boss or when they successfully endured or stood up to top management.

The tone of the lessons from the negative events was much more emphatically moral. From watching others (or themselves) be mistreated, managers spoke of the absolute necessity of decent, humane treatment. Their comments were laced with imperatives: "Subordinates <u>must</u> feel free to disagree"; "You <u>must</u> be candid and sensitive with others about their careers."

From observing unethical or blatantly self-serving characters in action, the managers we interviewed also formed opinions on how to counter such behavior. Ordinarily, they advocated hammering away at the facts of the matter because, as one said, "Data-based positions will generally win out in the long run." Integrity in this case involved beliefs such as "You work for the organization not for the man" and "the objectives of the organization you work for are generally larger than those of your boss."

Some of the lessons managers drew came from their own mistakes, and in these cases they found themselves acting on the basis of inappropriate management values, which they claimed they later rectified. Although none mentioned a breach of integrity, all admitted their behavior had been self-serving or misguided at some time or other.

The executives we interviewed seem to believe that personal values play out in four areas: during political confrontations, in the treatment of others, in how people get ahead, and in how people act out their role as managers. Collectively, they describe how values should play out for managers (see Figure 2).

Passing Judgment on Organizations

Recently, in studies of corporate culture, attention has been focused on rituals, myths, stories and legends as media for the collective sharing of meaning. (See Appendix C, page 32, for discussion of related research.) The events we were told about, although somewhat similar, are not myths, legends, or stories that executives hear about. They are slices of life that executives experienced and which they believe had a lasting impact on them. Although similar to the tales that abound at corporate cocktail parties, these personal tales are almost certainly not common knowledge; that is, they are not widely shared among managers in an organization. They do, however, represent judgments on how things should be or might be in an organization, and the individual judgments can be examined collectively for parallels.

The Questions They Appear to Answer	Answer based on positive vignettes	Answer based on negative vignettes
1. How do things work around here politically?	Endurance is required Stand up for your beliefs	Don't squabble for turf
2. How should others be treated?	Involve employees	Treat others with respect (don't lie, be indifferent, be callous, etc.)
3. How do I get ahead?	Action beats thinking about it Give 105%	Focus on the job you're in
4. What is the role and deportment of a manager?	Be structuring Be participative Be kind Teach	Stick to the basics of management job (i.e., inform, delegate)

Figure 2
Vignettes Executives Remember

Looking within and across three corporations in our study,* three issues can be illuminated by a collective look

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*The corporate summaries that follow are based primarily on the values events and to a lesser extent on the business failures and mistakes executives made, the demotions/missed promotions/lousy jobs they endured, and the good and bad role models they encountered. In brief, the summaries are based on events in which executives rendered a judgment on "how things work around here."

at these values vignettes: the difference in corporate cultures, what impact "how things are" has on executives, and the possibility of cultural change. As with any summary, generalization is inevitable, and the "results" should be viewed as much more speculative than those in the previous section.

Differences in Corporate Cultures

Two factors seemed to combine to create cultural differences: the nature of the business demands and the attitudes/values of senior management.

The nature of the business demands. Corporation A was a gentlemanly firm with roughly a century of profitability behind it. As a major supplier of commodity products, it enjoyed a favorable spot in its market with few dangerous competitors. As such, this firm placed a premium on getting along with others and avoiding conflict. Thus, the developmental events its executives recalled involved encounters with other people almost as often as challenging job assignments.

In contrast, managerial development for Corporations B and C was more assignment-driven. In Corporation B, where major markets eroded due to quality problems, over 20% of the developmental events were team projects, as the corporation threw its best people en masse into restoring its image. This team orientation was combined with a career employment, family-like environment where many years of service was the norm, and managers with less than 20 years employment could literally be told, "You haven't been here long." Corporation B's developmental profile reflected this strong team assignment/strong people orientation.

Corporation C was in the consumer products business and faced heavy competition and product obsolescence. Managers changed jobs frequently, often to start up new ventures or fix and expand existing ones. When managers recalled their developmental events, job changes dominated, with only a smattering of developmental events related to encountering other people.

In addition, each corporation had a single, dominant developmental event, which further reinforces the notion of corporate uniqueness. Corporation A had many changes in scope as its managers vaulted into positions of increasing responsibility in existing operations. As mentioned, Corporation B was dominated developmentally by team projects. In Corporation C, over 20% of the events recalled were fix-its, as the corporation shored up existing businesses and salvaged troubled ones that it had acquired.

The attitudes/values of senior management. In Corporation A, mistakes were causes for concern; in the much tougher environment of C, they were often viewed as fatal, and such perceptions were reinforced by top management's words and deeds. While Corporation A might move troubled performers around, saying "This is a big company, we can find a place for so-and-so," C often fired even average performers in an effort to replace them with those who might provide a competitive edge.

Corporate profiles differ, and what seems to be valued differs accordingly and makes sense in light of the demands facing these organizations.

But what is valued may be both a strength and a weakness. The fix-it company (Corporation C) created managers who saw most jobs as fix-its and who developed the tough veneer necessary to deal with those assignments. Not surprisingly, even those types who were successful in such assignments often felt merely used, not cared about as people. In contrast, Corporation B, which used project teams extensively, created a group mentality in which few were willing to take charge ("We even go to the bathroom together," one said). Thus, what is valued may produce a developmental imbalance in an organization's managers. Corporation C is considering lengthening its assignments, so that managers must build stronger relationships and live with the consequences of their sometimes too hasty fix-its. Corporation B is considering more assignments in which individual, take-charge leadership is required.

There are some downsides that organizations seem to choose to live with in order to keep their strengths. Corporation A's executives seem to believe firmly that their corporation stands for business integrity and compassionate treatment of others. To be tolerant and caring and to avoid conflict over important business matters, they kept on lackluster performers and let people hide (to some degree) behind polite facades. This discontinuity sticks out, was often mentioned to us, and apparently has been left alone for decades. The solution has often been to stay publicly mum about mediocre performers, then decide behind closed doors how to move them into positions where they couldn't hurt anything.

The Effects of "Culture" on Executives

The corporate "culture" as implied by these values vignettes seems to have two major effects on executives. First, it is through the implied culture that managers understand the unspoken "rules" by which their organization functions; and second, managers compare their own ideals with the ideals of the culture. Figure 3 uses Corporations A and C as examples of just how different such unspoken organizational rules can be.

Whether executives think an organization functions properly or not is determined by comparing their own idealized view of how things should be with how things are actually done. Although a few of the managers we talked to seemed to believe that the ideal and real worlds were congruent, more remarked on the discontinuities. Figure 4 shows reactions to "how things work around here."

As can be seen, both corporations have strengths and weaknesses, and there seems to be some recognition that the weaknesses are inevitable. As one executive said, "For every strength, there is a corollary weakness. To attempt to eradicate the weakness is also to attack the strength."

The Possibility of Change

Because the nature of the conflict between "ought" and "is" in a corporation is determined by the corporation's basic value structure, only certain changes appear to be possible: Changes that would violate the values inherent in the good stories would be hard to come by if not impossible to achieve. At the same time, changes that would eradicate the values implied by the bad stories are limited by contextual factors. Thus any organization faces three issues when change is considered or forced upon it: which values must be adhered to, which should be eradicated, and what downsides the corporation is willing to live with.

In Corporation A's case, an environmental change forced it to change to a more aggressive, start-something-from-nothing management posture. The old culture, consensual and slow-paced, was ill-equipped for such fast action, so the challenge (as with any major organizational change) was to create a new face without shattering the old one. Since the century-old culture would hardly crumble overnight, if any change was to have a chance to succeed, the organization's people had to feel that they were still cared about as people. Even when economic conditions forced the first major layoffs in the organization's history, they had to be

POLITICAL ISSUES	Corporation A	Corporation C
How do things work around here politically?	Gentlemanly, low-key, non-confrontative	Fairly confrontative and straightforward
If you disagree with top management, it is best to:	Tiptoe lightly	Speak up
Business failures are thought to be:	Tolerated if you showed good judgment	Fatal
TREATMENT OF OTHERS		
When dealing with problem performers, the best tack is to:	Be patient; work hard to develop them	Give them fair warning; then fire them if they don't show significant improvement quickly
In motivating others, it is important to:	Care about them as people as well as get the job done	Show them how to get the job done
HOW DO I GET AHEAD?		
	Perform well/ cooperate with others	Perform well as an individual
ROLE OF A MANAGER		
It is a manager's responsibility to:	Nurture, coach and develop	Select, provide a challenging job and monitor

Figure 3
Majority Opinions on "How Things Work Around Here"

POLITICAL ISSUES	Corporation A	Corporation C
How do things work around here politically?	Gentlemanly, low-key, non-confrontative	Fairly confrontative and straightforward
Executive Reaction:	**Liked this**	**Liked this**
If you disagree with top management, it is best to:	Tiptoe lightly	Speak up
Executive Reaction:	**Critical: thought major issues were smoothed over**	**Liked it, but nervous about it**
Business failures are thought to be:	Tolerated if you showed good judgment	Fatal
Executive Reaction:	**Liked this**	**Except for those who risk, a hated perception**
TREATMENT OF OTHERS		
When dealing with problem performers, the best tack is to:	Be patient; work hard to develop them	Give them fair warning; then fire them if they don't show significant improvement quickly
Executive Reaction:	**Split reaction; generally agreed, but knew deadwood was tolerated**	**Split reaction; some liked, some thought too brutal (all organizations need average performers)**
In motivating others, it is important to:	Care about them as people as well as get the job done	Show them how to get the job done
Executive Reaction:	**A source of pride**	**Had agreed at one time, but then realized even they didn't feel cared about**

Figure 4
Majority Opinions on "How Things Work Around Here" and Executive Reactions

HOW DO I GET AHEAD?	Corporation A	Corporation C
	Perform well/ cooperate with others	Perform well as an individual
Executive Reaction:	Concern that political skills were more important than performance skills	Loved the autonomy and responsibility, but realized the inevitable downside risks (becoming gunslingers; no team identity)
ROLE OF A MANAGER		
It is a manager's responsibility to:	Nurture, coach and develop	Select, provide a challenging job and monitor
Executive Reaction:	A source of pride	Liked this in the past when much hiring was of experienced managers; realized inadequacies in developing young people from within

Figure 4 - Continued
Majority Opinions on "How Things Work Around Here"
and Executive Reactions

accomplished in the "consider everyone as an individual" way. Any other approach would have crushed organizational morale.

Corporation A changed successfully within the limits of the three issues mentioned above: the caring for people had to be kept; the slow decision making and moderately taxing jobs had to be replaced; and the century-old politeness and need to smooth political waves had to be tolerated.

The change was far from perfect because the real and the ideal worlds are rarely congruent and because business demands may clash with "the way we ought to do things." But the changes that appeared to work in the organizations we studied left large chunks of "how we do things around here" intact. The changes appear to have been accomplished within a values structure that uses belief as a vehicle to express what must be kept, what must be minimized or eliminated, and what must be tolerated.

Implications for Individuals and Organizations

The impact of values vignettes needs to be managed to enhance individual and organizational effectiveness. All managers are a walking compendium of values in action, and others scrutinize their actions minutely to answer the questions this article has addressed. Similarly, an organizational gestalt or culture may be revealed through these vignettes.

By anecdotal report, strong culture companies (see Peters & Austin, 1985; Peters & Waterman, 1982; Deal & Kennedy, 1982; Wilkins, 1984; Pascale, 1985; Schein, 1983) do a good job of bringing to the surface and promoting stories that are congruent with the core values and action of the organization, but countless others leave the story-telling to chance. Whether involving spectacular or mundane events, stories and actions need to be congruent, or cynicism and disaffection may result. Because executives are constantly trying to understand corporate values, sense the attitude toward mistakes, and figure out how things get done, mixed or incongruent signals will create widely divergent interpretation of action; and the sense of corporate values will be reduced or eliminated.

Making Use of Vignettes

Probably the most straightforward way to tap the power of vignettes would be to conduct an anonymous audit of those stories to find out what executives (or middle managers, or hourly employees) believe. After figuring out what differences exist (performance, divisional, etc.), an organization should have a better sense of where they are in relation to where they'd like to be on any number of questions: Do we reward the right behaviors? Are mistakes fatal?, etc. Then the hard work of clarifying and communicating values (and sanctioning those who underline them) would begin.

There might be a role here for training courses that prepare managers for values-testing events and explain "how things are done around here" from the point of view of values. For example, such a course could explain the values surrounding a rule such as "don't bypass the boss," rather than just stating a procedure that forbids the practice under specified circumstances. There might also be benefit in managers receiving feedback and sharing values vignettes to better understand how they treat others and how they respond during tough or politically volatile situations.

Beyond the individual level, organizational cultural reinforcement and change becomes the issue, and one premise of this paper is that culture is also exhibited through value-laden actions, both grand and small. Culture change will be directly related to the believable actions of important people. Such actions, and the stories told about them, would exemplify the value statements that most organizations have written into their mission statements. Hypothetically, if an organization wished to change toward the idealized states mentioned in values vignettes, what would it take for movement to occur? Some examples follow.

Decisions are made rationally, not politically. "You get paid to think, not to agree with me" or "Tell me how what I just told you could be improved" are statements we have heard from executives who want to make it clear that they are more interested in problems and solutions than in political considerations. Organizations can back up such initiatives in several ways. For example, two excellent notions are: a published system of jobs that includes exactly what specific management skills and knowledge are required to advance from level to level; and the provision of as much information as feasible on why and how major decisions are made. Such systems, when followed, can symbolically answer such questions as "How does one get ahead?" by providing information that goes far beyond what individuals need to know to do single jobs. Such information can be used to explain the rubric of an organization.

Thoughtful mistakes are tolerated. Some organizations place an emphasis on taking responsibility for mistakes and learning something from them. Some organizations use devices such as "mistake money"; roles where mistakes aren't too costly (e.g., small units, some overseas jobs, jobs with a strong boss as a protector); and even "penalty boxes," where someone's career is temporarily halted so that they can learn new skills to overcome past errors.

The telling of vignettes on oneself can be helpful. One chairman told of the three most common business errors, then illustrated them with his personal blunders. Another executive told of a scheme to repipe a plant that totally failed. This parable approach is exemplified by this tale:

> A subordinate once hatched a scheme that lost us \$100,000. I said, What the hell. If you're not screwing up you must not be doing much. I don't think he believed me; he fretted about it for months. Finally, I called him in and we had the following conversation:

"Have you lost us $100,000 lately?"

"Of course not."

"Then you've learned not to do it again."

"Yes."

"But you're still worrying about it, so I'll give you a choice. You can walk out of here and get back to making us money or you can pay us $1,000 per month for the next 100 months. What'll it be?"

(McCall, Lombardo & Morrison, in press)

Beyond such structural changes, sometimes a grand gesture is needed. In one corporation we worked with, senior executives believed (rightly) that in their corporation business mistakes and failures were fatal. One said, "I'd have to see someone lauded, even promoted, after a failure to believe things had changed. I'd have to hear he did the best he could with what he had to work with and was not held responsible for what happened."

Considerate treatment of others is a must. Some corporations base 25% of executive bonuses on documented efforts to develop others. Others make it quite clear that problem performers are to be worked with, not summarily dismissed.

Vignettes spring up around success stories: rehabilitating an alcoholic, finding an epileptic a more appropriate job, firing someone for sexual harassment. The message gets around quickly that how one treats a secretary is as important as how one treats a boss, because such tales clarify who gets rewarded and punished for what.

Proper management values are followed even when they hurt. Trust, integrity and fairness may be fairly simple to project in good times, but what of the hard times, during which most values vignettes are born? Abstractions like trust, for example, seem to come to life when one hears about an executive who leaves a union bug in his office because "They're welcome to hear what I go through. I'm going to tell them the truth anyway." Integrity may be an empty concept until one hears about two CEOs who turned in their corporations for illegal activities. Other corporations have taken products off the market, given money back, and spent far beyond federal pollution or safety requirements because "it was the right thing to do."

The common theme in maintaining strong values positions during hard times is one of sacrifice, both personal and organizational. We could not locate a positive vignette of hard times or times of crisis in our study or in other literature that did not involve adhering to a value at a cost.

One cost is sacrifice; another is that even grand values conflict. Take quality versus considerate treatment of others, for example. A boss once walked into a subordinate's office carrying a report the subordinate had written, and without a word dropped it in the waste can and left. While this was inconsiderate in one way, it may have been considerate in another because the subordinate got the message that the quality wasn't even good enough to comment on. In this case, the boss made sure later that his actions were not misinterpreted; in an identical case I was told of, the boss didn't bother and the subordinate quit, believing that arbitrary, insensitive treatment was "how things work around here."

Values will conflict and individual observers and corporations will give different weight to different values. As one executive said, "If I fire someone who is by consensus inept, some will say well done, some will say I took too long, and some will think the person could have been saved."

Rather than assume that cultures can change to some perfect state, it is more reasonable to assume they can change to a more consistent one, and this change seems to be accomplished in three ways mentioned in these examples: through systems and structures such as explicit statements of what it takes to be promoted; through grand gestures such as blowing the whistle on one's own firm; and through a plethora of small actions this paper has addressed. For every elegant system or symbolic act, there are thousands of less visible stories of the small kindnesses and cruelties that demonstrate how things really work around here. Change has its origins in belief, and, as Peters and Waterman (1982) say, "Only if you get people acting, even in small ways, the way you want them to, will they come to believe in what they're doing."

So the crux of the matter will always be the same: managers need to practice what the organization preaches on a day-to-day basis and must be willing to coach others to do the same. Although systems can help, the challenge is a personal one, to be played out each day in intimate settings.

In varying degrees, corporations in this study created problems for themselves. Corporation A was non-confrontative to the point that some people thought politics were more important than performance; Corporation B wanted strong individual leadership, but diffused responsibilities through teams; Corporation C encouraged risk but seemed to punish the mistakes that went with it. None of them made conscious use of stories or role models or courses to push a particular values position, and executives commented on the incongruity between what was espoused and what was rewarded.

The point here is simple. Incongruities between the "ought" and the "is," between words and actions, create stories that are detrimental to the health of organizations. The vignettes mentioned here and the questions they answer almost certainly exist in all organizations. The nature of the answers is largely up to the organization, and will be passed on, for good or ill, by managers all the way down the line. Paying attention to this reality is one thing that apparently differentiates high morale, high identity companies from the rest.*

While it would be simplistic to suggest that these stories and their punch lines separate effective and less effective firms, they certainly figure in the difference. A firm in which words and actions are congruent and in which the answers to the questions posed in this paper point more or less in the idealized direction will probably have an edge over one in which such things are left to chance.

Corporate values, as they are called, are not exemplified in any one way but in many ways, among them the vignettes managers tell and believe. As long as the questions that trigger them persist, these vignettes will be there, popping out starkly in black and white to provide the answers.

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*Wilkins (1984) details how Hewlett-Packard makes use of stories in coursework to explain the "HP way."

Appendix A
The Study of Developmental Events

These values events are not the totality of experiences executives see as developmental. Important as they may be, they are but a piece of the fabric of experience executives recounted.

In 1982, Morgan McCall, Ann Morrison and I embarked on a study of executive growth, learning and change. Essentially, we wondered if we could shed some light that "Experience is the only teacher and we get this lesson indifferently in any school."

We wondered more about the definition of the term experience, since no one had actually studied which experience taught somewhere between many lessons and none at all. To find out about these experiences, we asked 86 successful executives the following question:*

> When you think about your career as a manager, certain events or episodes probably stand out in your mind--things that led to a lasting change in your approach to management. Please jot down some notes for yourself identifying at least three "key events" in your career, things that made a difference in the way you manage now. When we meet with you, we'll ask you about each event:
>
> 1. What happened?
> 2. What did you learn from it (for better or worse)?

Our premise was if experience taught anything at all, it wouldn't be any experience, but "flashbulb" experiences or "marker" events (Levinson, 1978; Rubin, 1985), events that had enough exhilaration or pain associated with them to have a lasting impact. For a related reason, we asked for three events, because twenty would dilute our pool of experiences to include the minor with the major. Numerous executives grudgingly admitted that this was the right choice, commenting "Ten or twenty would have been easy; picking only three took a while."

Executives had plenty to say about the experiences that mattered for them--1,200 tales of success and failure and of the other people in their lives. They built plants in the

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*This interview format was later augmented by open-ended surveys of over 300 other executives.

jungle; made spectacular blunders; heroes and ogres drifted in and out of their lives. But there were less dramatic events as well--coaching soccer teams, helping a problem subordinate keep a job--and some events that were difficult to understand at first--dealing with an ogreish boss or tales of political intrigue.

All eventually could be categorized (see Lombardo & White, forthcoming) into one of 16 categories which executives believed taught them some subset of 33 lessons. The basic groupings of events were:*

- Major job assignments they had faced (see Lombardo, 1985). These assignments included huge jumps in responsibility, building something from scratch, fixing a troubled unit, serving on a major project, and going from a finite line job to a murkier staff assignment. These assignments were essentially tales of triumphs over adversity, and taught the lessons of learning by doing to overcome obstacles to work completion. (48% of total)

- The hardships they endured and mostly created for themselves--firing people, blunders, demotions, career crises and wrenching personal traumas. These hardships triggered perhaps their greatest challenge of all, one with themselves. (17% of total)

- Miscellaneous other events, notably formal coursework between the two--who forced them to confront their personal value systems. (18% of total)

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*Each event told its own tale and each had its own set of lessons, the complete story of which is reported in a forthcoming book, The Lessons of Experience by Morgan McCall, Michael Lombardo and Ann Morrison (New York: Harper & Row, forthcoming). Many of the events cited occurred before entry into the executive ranks. References to managers or future executives throughout the paper are intended to indicate this fact.

Appendix B
The Characteristics of Values Events

1. Black and White

The events depict, in black-and-white terms, values confrontations and explications in somewhat the same tone as a morality play. The other major event categories, challenging job assignment faced and hardships endured, were characterized by more complex, ambiguous circumstances where future executives tried many tacks, dealt with many problems, and where sometimes the outcomes were survival-oriented with lessons stated in tones of gray. In contrast, values events were stark, usually one-on-one, where the good guys all wore white hats and the confrontations were those of good versus bad and right versus wrong. In this simplicity seems to lie their power. Whether one agrees with the judgment passed or not, the intent of the story is clear and it owes that clarity to its skeletal structure.

2. Tough Situations

In general, events executives remember as developmental were tough, even aversive in nature. Negative interruptions in the flow of ordinary events, such as seeing someone chewed out for thinking, are likely to make an indelible imprint. In our study and others (Sheehy, 1981; Levinson, 1978), "marker events," and particularly negative experiences one suffers through successfully, are characterized by dramatic circumstances. A challenging job or confronting an ogre or enduring a demotion create a state of tension hard to ignore. In this viewpoint, one copes or learns in order to regain a modicum of control over one's destiny. People who successfully adapt (Levinson, 1978; Vaillant, 1977; Sheehy, 1981) absorb the shock of the situation, then work through it to make sense of the experience and to guide subsequent action. In short, the daily flow of mildly positive work events--a boss takes someone out to lunch, pitches in to help, or forgives a mistake--are not likely to make much of a ripple unless they too are dramatic in tone. To be cited as a remarkable event, a boss might have to risk his job or stay up for 48 hours in order to help someone out.

3. Bosses Are Central Figures

Most of the events have a boss as a key figure. Bosses appeared here and there throughout the recitation of other developmental events, but references to bosses dominated the specific events about important other people. About 90% of role models and over 60% of values events focused on something a boss did--good, bad or somewhere between the two.

Through their behavior bosses symbolized appropriate or inappropriate values. The implication is that of bosses as surrogate parents--manifestations of corporate rules and norms. Their actions might be praised or ridiculed, but were rarely ignored.

4. Self-Serving

The negative, sometimes dramatic cast to executive recollections affected the meaning of what they said they learned when coupled with whom the vignette was about. Judgments rendered were critical unless the executive was the main actor in the play. Such self-serving recollections (see Figure 3) virtually predetermined the two basic scenarios of these episodes: the manager does something good in a bad situation (a gladiator) or the manager feels the impact of a boss doing something bad. In the former, the managers do something, believe it works, and this reinforces or confirms a value they hold. In the latter, the learning is often reversed--they learn what to do by learning what not to do.

Such self-serving stories are predictable because we believe we know our own motives and feel they are justified. Since we usually only see others' behavior and rarely "know" their intentions, we are much more likely to see their acts as thoughtless, stupid or amoral. It is this attribution phenomenon (Kelley, 1971) that can cause managers to describe their decisions as straightforward and rational, and upper management's as political and self-serving; or their mistakes as thoughtful and others' as evidence of incompetence.

The Impact of Values Events (Self vs. Superiors)

	Perceived Impact				
	Positive		Negative		Total
The manager did something to someone else (usually a subordinate)	78%	(35)	22%	(10)	45
A superior did something to the manager or the manager watched a superior do something to other subordinates	34%	(18)	66%	(35)	53
Total					98

The point to this discussion of people's attributions is that each of these managers or executives was both a boss and a subordinate, so almost as givens they did good things for their subordinates and others and their bosses did bad things that affected them. Of course, their actions may not have been received as heartily as they thought and their bosses probably weren't as thoughtless or sneaky as they appear in these tales.* Although the vignettes may be taken at face value, as their perceptions, what executives remembered was colored by human attribution so the other side of the coins--when they did something bad or others did something good--aren't as well represented.

*Argyris (1968) also demonstrated, as Robert Burns said, that we don't "see ourselves as others see us" when they inquired if managers knew what their subordinates thought of them. Of course they did. Did their bosses know what the managers thought of them? Of course they didn't.

Appendix C
Approaches to the Study of Corporate Culture

The notion that organizations develop a climate or culture, teeming with norms, beliefs, values and moral imperatives, has a long history in social science research. There are volumes of work on what this "it," variously termed attitude, commitment, morale, climate and culture, is, and what difference "it" makes in productivity or satisfaction or quit rates.

This "it," as Schneider (1985) notes, "focuses on meaning--the meaning people attached to policies and activities and the mechanisms by which meaning is transmitted and shared" (p. 596). This meaning may be revealed in numerous ways, but three have received the most attention: (1) research on work climate in which workers are surveyed on their beliefs about policies and activities in their organizations, (2) motivational and personality variables by which individuals filter and decide on their likes and dislikes at work, and more recently, (3) examinations of culture to understand the norms and values that create or reflect the practices of an organization. Particular attention has been paid to the myths and stories that are viewed as the primary medium for the sharing of this meaning. Researchers have looked into the psychoanalytic theory of Bettelheim (1977) to understand the importance of myths, and widely shared stories that reveal organizational subunit and differences, similarities, and common organizational story types.*

These myths and legends comprise important folklore for organizations because they attempt to answer questions that no policy manual can. Stories, as numerous researchers have noted (Schein, 1983; Pascale, 1985; Wilkins, 1984; Martin, Feldman, Hatch, & Sitkin, 1983; see bibliography for more complete list), pass on aspects of the organizational culture, are powerful socializers, and are more likely to be believed than policy statements or statistics (Martin &

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*For review of the organizational climate/behavior literature see Schneider, 1985; Schneider & Reichers, 1983; Joyce & Slocum, 1979; Payne & Pugh, 1976. Viewpoints on personality and motivation in the transmission of meaning are so widespread that citing a few sources is misleading at best; for the topic of this paper, Mitroff & Kilmann (1976), Kets de Vries & Miller (1984), and Mitroff & Mason (1983) are relevant.

Powers, 1983). As Wilkins (1984) states, stories are "social maps" which direct attention to how things are done in an organization. They pass on organizational philosophy and suggest what behavior or attitudes are acceptable and, by filling in this social map, they tell people what they can expect from the organization in the future.

Their most common themes are how things are done here, and who gets rewarded and punished for what. The power of stories over statistics and policies is, as the title of this paper suggests, that they exemplify values in action. They are concrete, visual and strike an emotional chord. As Wilkins (1984) comments, "We might best think of stories as memorable ways to communicate useful information."*

The vignettes in this paper differ in that they are the result of direct experience and, although similar to myths and stories, may be considered a fourth mechanism for studying organizational culture.

The events we were told about, although in this tradition, are not so much stories as episodes. They are best thought of as snapshots of organizational life that share some of the same attributes noted by others, most notably that they focus on simple acts as symbolic of deeper meaning.

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*The information conveyed, however, varies by level. As our group of managers were at the executive level, there were far fewer of the kinds of stories that have been reported elsewhere (Martin et al., 1983). Rags-to-riches stories and stories about the "big boss" (CEO, COB, founding fathers, etc.) were virtually non-existent. These stories usually express how lower-level people are treated by the people we studied; in contrast, executives are about as likely to tell stories about how they treat others as how others treat them (46% versus 54%). Thematically, the similar stories shared with lower levels were the overcoming of obstacles, the proper treatment of others, and the handling of mistakes.

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Since 1983, we have conducted three additional studies in survey format. These, in addition to the original studies, are detailed in Lindsey et al. (forthcoming) and McCall et al. (forthcoming). Esther Lindsey wrote the technical summary of the values events (based on six corporations) for the first-mentioned source. Randy White, Saralyn Griffith and Cindy McCauley devised the computer program that enabled me to examine the patterns of event characteristics and lessons within values events. Saralyn Griffith conducted many analyses of these data and tolerated my numerous additional requests.

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