

Using the Competing Values Framework to Make Innovation Happen!

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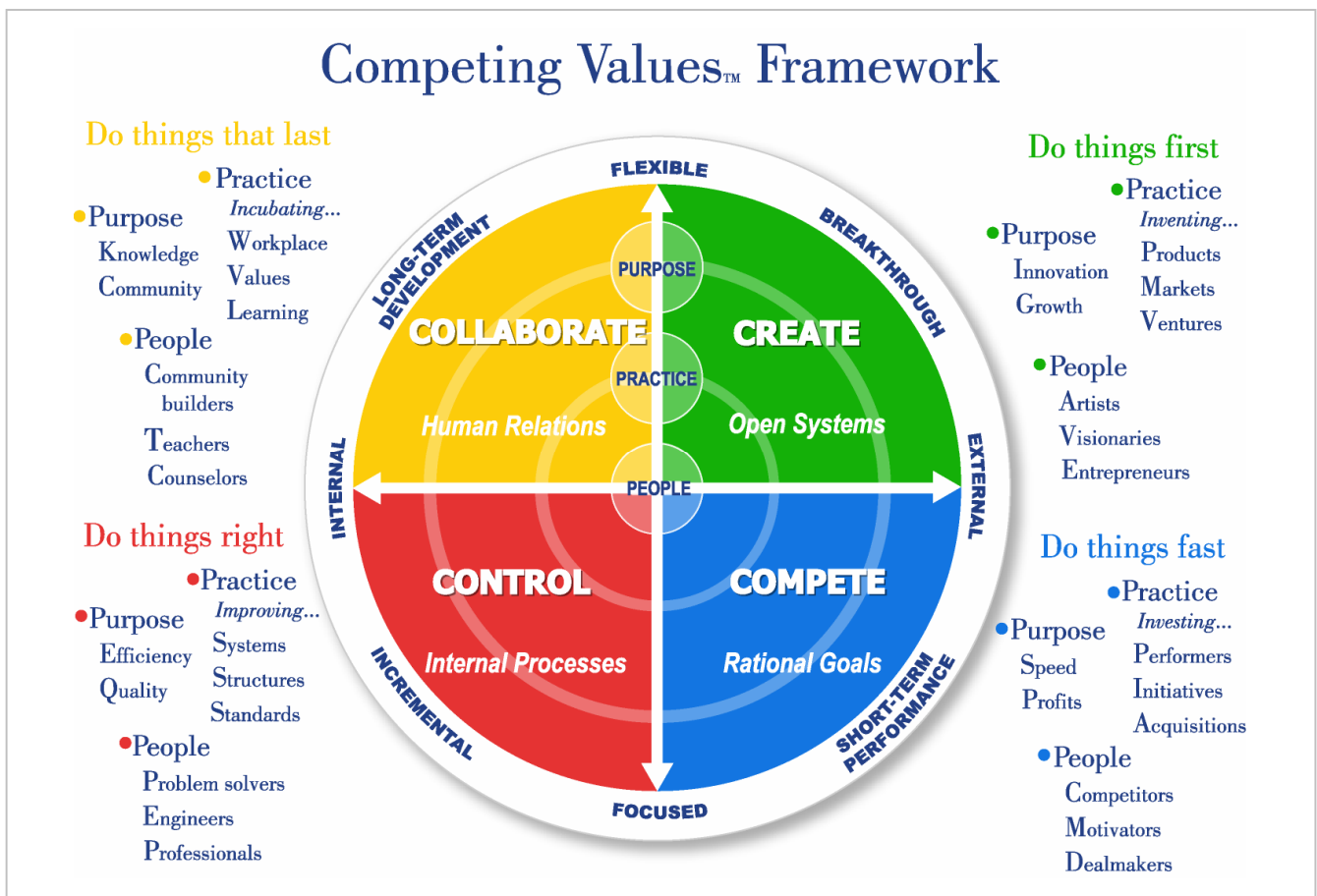
► Why Focus on Creativity?

Creativity is the transformational force that makes change and innovation happen. Through creativity, products, services, processes, and ideas are made better and new. The act of creativity can be performed by an individual, a group, or an organization, or all of these working together to produce a creative outcome. Creativity is the core of core competencies because it is the essential power required to create value.

There are hundreds of useful methods that produce change and innovation. The problem is that a one-size-fits-all approach doesn't work in all situations and may even destroy value. This is because there are different types of creativity that produce distinctly different outcomes and create value in unique ways. *How* you create determines *what* outcome you create. The key is to create a shared language and mindset in people at all levels and areas of the organization that provides a simple way for them to think about what types of change and innovation are appropriate for their particular situation and how to act accordingly.

► How Do You Teach a Creative Mindset?

Before you can get people to go in a new direction, you must first teach them how to read a map. Within every organization is a set of competing positive tensions; each pulls the organization in a direction at the expense of the opposite. These tensions produce the everyday conflicts that are characteristic of all organizations. Applied creativity may mean continuous process improvement to the manufacturing unit versus radical experimentation by the marketing department.



The *Competing Values Framework (CVF)* was developed to show how these tensions affect the actions of leaders and their organizations, and to help suggest appropriate paths to value creation. The *CVF* is based on over twenty years of research and has been used in hundreds of organizations worldwide. The *CVF* is a practical way to help organizations develop, implement, and sustain change and innovation. It focuses on developing the competencies, culture, and practices in firms that produce specific forms of value.

There are four main creativity types that produce value which we will call “profiles.” By profile, we mean a description of the biases and preferred creative activities of particular individuals, groups, and organizations, together with the desired creative outcomes of their activities.

We call the four creativity profiles *Create*, *Compete*, *Control*, and *Collaborate*.

► *How Do the Four Profiles Work?*

The Create Profile

The Create profile encompasses the kinds of purposes and practices that many people think of first when they hear the word “creativity.” This is the profile of radical breaks with the past and breakthrough ideas that can change the marketplace.

Individuals with the Create profile tend to be generalists or “artists” who enjoy exploring and easily change direction when solving a problem. The culture that supports their work is characterized by experimentation and speculation; the focus is on generating ideas. This group is often in R&D units or entrepreneurial activities. Create companies seek to create something new that has been previously thought impossible. Driving purposes are innovation or growth. They strive to orient their products, services, and ideas to the future. Leaders build the organization by developing a compelling vision and emphasizing new ideas and technologies, flexibility, and adaptability. Create companies capitalize on turbulent environments. The Create profile taken to an extreme becomes chaotic.

The Compete Profile

The Compete profile encompasses the kinds of people and practices that many people associate with Wall Street. This is a profile that shows the intensity of competition and achievement—everyone is either a winner or a loser.

Individuals with the Compete profile are focused on performance and goals. Their culture emphasizes these results and the discipline necessary to create them. People with the Compete profile are competitive and love a good challenge, which motivates them towards a speedy and profitable outcome. Compete companies seek to create quickly before competitors can. Driving purposes are profits, through market share, revenues, and brand equity, or speed of response. Leaders build the organization by clarifying objectives and improving the firm’s competitive position through hard work and productivity. These companies seek to deliver results to stakeholders as quickly as possible. Beating the competition is not only a matter of strategy but also pride. The Compete profile taken to an extreme becomes a sweatshop.

The Control Profile

The Control profile represents incremental creativity—taking something that exists and modifying it to make it better. This is the profile of large complex organizations that create products and services that must not fail.

People in the Control profile are systematic, careful, and practical. Their culture focuses on planning, creating systems and processes, and enforcing compliance. Control people seek to keep things running and efficient. Control companies seek to create something better so that it can build upon the present. Driving purposes are quality, efficiency, and predictability. Leaders build the organization by optimizing processes, cutting costs, and establishing rules and procedures. Role definition is important here. These companies tend to elaborate or extend existing products with minor variations. The Control profile taken to an extreme becomes a bureaucracy.

The Collaborate Profile

The Collaborate profile encompasses the kinds of people who believe in something greater than the business itself and run their business to reflect those values. This is the profile associated with having a great place to work and learn.

People in the Collaborate profile are committed to their community, focusing on shared values and communication. Their culture strives to learn over time, and once these competencies are established, the amount of time required to understand a situation and act appropriately is shortened. They are likely to feel that creativity should be timeless. Collaborate companies seek to create something sound that is appreciated by the community. Driving purposes are community and knowledge, achieved by drawing on communication, cooperation, and learning-oriented partnerships. Leaders build the organization by encouraging trust, commitment, and relationships, and by nurturing a community of empowered individuals. Their unified behavior produces a strong organizational image in the marketplace. Customers may be considered partners in an extended community. The Collaborate profile taken to an extreme becomes a party.

The importance of these profiles is more than just leadership “type” because there are much stronger transformational forces at work in an organization, such as culture and competency, as well as situational factors external to the organization that will largely determine the success of each approach in creating value.

Since most of our jobs require that we work with several different types of people and projects, we are only as effective as our ability to manage in our weakest profile. It is useful to manage toward our strengths because this is where we have the greatest competency and chance of creating value. However, if we choose to focus on our strongest profile, it is wise to work with people who have strength in other profiles. Either way, we can extend the range of “roles” we play at work by developing our abilities in our weaker profiles.

It is useful to think of these profiles like being right handed or left handed, you use both hands but each has a relative strength and weakness. Each of us has some measure of each profile, but some are stronger than others. Of course, proficiency in all of these profiles is necessary to be truly effective in an organization.

To determine your profile, take the free assessment at ...

<http://www.competingvalues.com/assessments/index.html>

► *How Does the Complete System Work?*

In the *CVF*, the term “whole” is always only comparative because everything is both a whole thing and a part of a greater system. There are three interrelated levels of creativity that either align and enhance specific forms of value creation or detract from them. The *CFV* integrates these parts by looking at the interactions of the entities that create value:

- *People* = Individuals in the organization, including leaders
- *Practices* = Culture, competency, and key processes of the organization
- *Purposes* = Outcome, or the value the organization intends to create

The four profiles are the result of competing positive tensions that are created by four basic organizational dimensions: the primary dimensions of focus and approach, plus the secondary dimensions of magnitude and speed.

Focus: *Internal vs. External*

The dimension of focus accounts for the orientation of organizational practices. Some practices tend to focus internally, that is, on the organization's own characteristics and capacities. Others tend to focus externally, on the demands of the situation.

Approach: *Flexible vs. Focused*

The dimension of approach accounts for how organizational practices accomplish their goals. When a situation is new or unpredictable, the best practice is to search for all possible solutions by taking an approach that diverges from a starting point. When a situation calls for a single solution or a limited response, converging on an optimal solution is the necessary approach.

Secondary Dimensions: *Magnitude and Speed*

The blend of the dimensions of focus and approach produce two secondary dimensions: speed and magnitude. Often, these two dimensions help organizations and individuals figure out what practices suit them best because they distinguish how quickly value creation must occur and what benefits it must achieve. The question "How much creativity do we need, how fast?" serves as a quick-and-dirty way of identifying the profile that most aptly describes your situation. If your answer to one question is more specific than the other, then that answer points to your likely profile. For example, if your answer was, "It doesn't matter how big of an impact I make, but I need to deliver a product fast," then you fit the Compete profile.

This system represents a unified theory of practice that aligns and integrates most organizational practices through the use of a shared mindset and language. The *CVF* is distinctly different from other typing indicators, such as MBTI or DISC, because it creates a map to value creation by unifying the roles of individuals, organizations, and the overall business situation. Among other things, the map can be used to identify different kinds of leadership, culture, and competencies as well as situational elements such as industry dynamics, markets, and even financial valuation. In other words, this map allows you to align your organizational practices with the strategic factors that affect value creation.

► *What Are Some Typical Uses of the Competing Values Framework?*

A benefit of the *CVF* is that it can be applied to teams, business units, organizations, or a conglomeration of companies using the same process. Typical uses of the approach include:

- Strategic planning
- Creating shared vision and values
- Changing culture
- Developing high performing teams and leaders
- Improving performance management processes (Metrics, resource allocation, and rewards and incentives)
- Launching change and innovation initiatives
- Human resource management and organizational competency development processes (Hiring, staffing, succession planning, training and development)

Because the *CVF* is a modular and open system, supplemental or stand alone change and innovation methods can be seamlessly integrated at any point in the process.

The *CVF* makes creativity work for everyone in your organization. It harnesses the natural creative energy that exists in all organizations, and systematically directs it towards making things better and new.

