



An Introduction to the
Competing Values Framework

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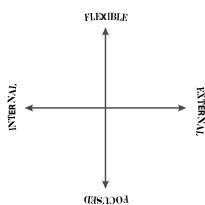
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ORGANIZATIONAL CULTURE WHITE PAPER

THE COMPETING VALUES FRAMEWORK

The Competing Values Framework was developed initially from research conducted by University of Michigan faculty members on the major indicators of effective organizational performance. It has been found to be an extremely useful model for organizing and understanding a wide variety of organizational and individual phenomena, including theories of organizational effectiveness, leadership competencies, organizational culture, organizational design, stages of life cycle development, organizational quality, leadership roles, financial strategy, information processing, and brain functioning. The robustness of the framework is one of its greatest strengths. In fact, the framework has been identified as one of the 40 most important frameworks in the history of business.

Approximately 20 years ago, the framework emerged from research on the criteria that predict if an organization performs effectively. Those investigations were followed by studies of organizational culture, leadership roles, management skills, and information processing styles. From these empirical studies, two major dimensions consistently emerged. One dimension differentiates an emphasis on flexibility, discretion, and dynamism from an emphasis on stability, order, and control. For example, some organizations and managers are viewed as effective if they are changing, adaptable, and transformational. Other organizations and managers are viewed as effective if they are stable, predictable, and consistent. This continuum ranges from versatility and pliability on one end to steadiness and durability on the other end.



The second dimension differentiates an internal orientation with a focus on integration, collaboration, and unity from an external orientation with a focus on differentiation, competition, and rivalry. For example, some organizations and managers are viewed as effective if they have harmonious internal relationships and processes. Others are judged to be effective

if they successfully compete against others and establish a market niche. This continuum ranges from cohesion and consonance on the one end to separation and independence on the other.

Since the original research was conducted, these same dimensions have been reproduced in a wide variety of research studies, from cognitive style to human development to philosophy. The framework, in other words, has proven to be very robust across a variety of phenomena, and it describes the core approaches to thinking, behaving, and organizing associated with human activity.

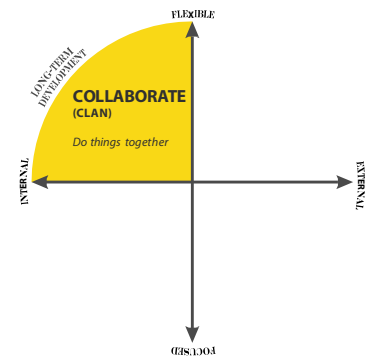
Together these dimensions form four quadrants, each representing a distinct set of organizational and individual factors. They identify, for example, the criteria of effectiveness that must be pursued by organizations, the leadership and managerial competencies that are most effective, the underlying culture of organizations, and so on. What is notable about these four core values is that they represent opposite or competing assumptions. Each dimension highlights a core value that is opposite from the value on the other end of the continuum—i.e., flexibility versus stability, internal versus external. The dimensions, therefore, produce quadrants that are also contradictory or competing on the diagonal. The upper left quadrant identifies values that emphasize an internal, organic focus, whereas the lower right quadrant identifies values that emphasize external, control focus. Similarly, the upper right quadrant identifies values that emphasize external, organic focus whereas the lower left quadrant emphasizes internal, control values. These competing or opposite values in each quadrant give rise to the name for the model, the Competing Values Framework.

At the University of Michigan, the Competing Values Framework is used to organize an approach to leadership and management development. Individual leadership competencies, for example, are developed and improved in the context of the organization's culture, its strategic competencies, financial strategies, pressing problems, and desired outcomes. All of these factors are measured by instruments based on the Competing Values Framework, thus providing an integrated and consistent

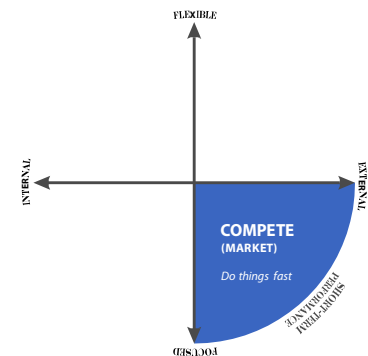
approach to individual and organizational development and improvement. An illustration of the Competing Values Framework provides an illustration of the key values, leadership types, value drivers, approaches to change, and theories of effectiveness.

Leadership development experiences and executive education programs often focus on competencies and capabilities that reside in each of the four different quadrants of the Framework. The specific leadership tools and techniques that receive emphasis with leadership groups are often determined by the organization's own culture, aspirations for change, competencies of the senior leadership team, or the data feedback that individuals receive from various assessments.

For example, tools and techniques such as teamwork, collaboration, talent management, empowerment, or inter-personal relationships could be highlighted in the upper left quadrant.

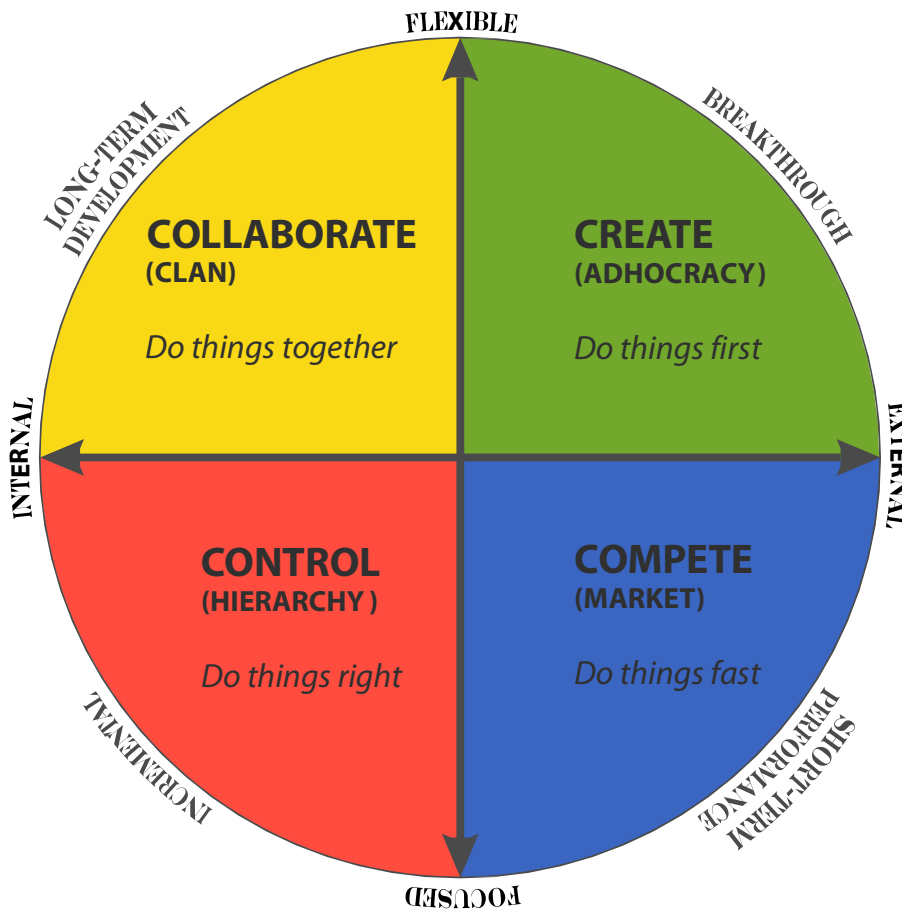
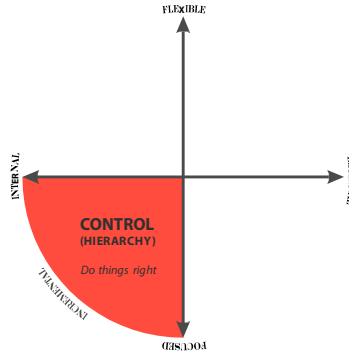
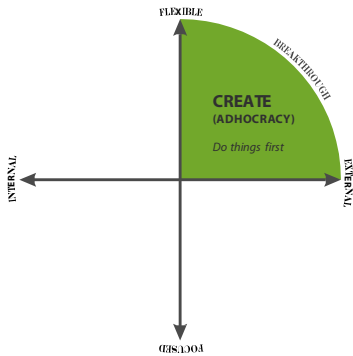


The opposite kinds of tools or techniques, such as competitiveness, fast response, decisiveness, driving through barriers, or goal achievement, could be highlighted in the lower right quadrant.



This framework also suggests that tools and techniques focused on innovation, creativity, articulating future vision, transformation change, or entrepreneurship could be addressed in the upper right quadrant.

The opposite kinds of tools or techniques, focused on assessing and measuring, controlling processes, structuring, efficiency improvement, or quality enhancement, could be addressed in the lower left quadrant.



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THE COMPETING VALUES FRAMEWORK FOR CULTURE, LEADERSHIP, EFFECTIVENESS, AND VALUE DRIVERS

<i>Long-term Change</i>	Individuality Flexibility	<i>New Change</i>
Culture Type: CLAN		Culture Type: ADHOCRACY
Orientation: COLLABORATE		Orientation: CREATE
Leader Type: Facilitator Mentor Team builder		Leader Type: Innovator Entrepreneur Visionary
Value Drivers: Commitment Communication Development		Value Drivers: Innovative outputs Transformation Agility
Theory of Effectiveness: Human development and high commitment produce effectiveness.		Theory of Effectiveness: Innovation, vision, and constant change produce effectiveness
Internal Maintenance		External Positioning
Culture Type: HIERARCHY		Culture Type: MARKET
Orientation: CONTROL		Orientation: COMPETE
Leader Type: Coordinator Monitor Organizer		Leader Type: Hard-driver Competitor Producer
Value Drivers: Efficiency Timeliness Consistency & Uniformity		Value Drivers: Market share Goal achievement Profitability
Theory of Effectiveness: Control and efficiency with capable processes produce effectiveness.		Theory of Effectiveness: Aggressively competing and customer focus produce effectiveness.
<i>Incremental Change</i>	Stability Control	<i>Fast Change</i>

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