

The Competing Values Assessment: An Overview

COMPETING VALUES FRAMEWORK

The Competing Values Framework is a strategic blueprint developed from over 25 years of academic research that identifies and solves particular innovative challenges. By identifying and analyzing four different types of innovation, the CVF helps you understand how you can use the tension between these competing forces—like the simultaneous pursuit of standardization and customization—to create positive movement. The CVF is a practical way to help organizations develop, implement, and sustain change and innovation.

Every individual has some qualities of each quadrant, but some are stronger than others. The key insight here is to understand how each of these kinds of innovative approaches can work together to form an organic view of change. By attending to the ways that these profiles interact, you can build an organizational culture that benefits from the advantages of all these approaches without inheriting their downsides. The result is an organization that is perpetually growing and adapting to the challenges that come its way.



Image 1 - The Competing Values Framework

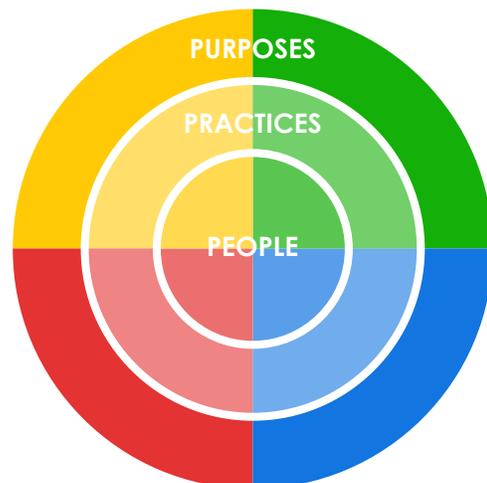


Image 2 - People, Practices, Purposes

CONSTRUCTIVE CONFLICT

The thinkers in each quadrant often disagree. But this clash is a good thing. People with different views of innovation can come together and teach each other things that they wouldn't have picked up on otherwise. This is a productive tension—a conflict that is constructive. The goal here is to use the advantages of each quadrant at the right time.

What happens when pragmatic thinkers work with big-picture thinkers? What happens when the goal-oriented thinkers meet the patient thinkers? This is exactly how and where innovation happens: you need to surround yourself with people who are not like you. The key here is to know your blind spots and to use those blind spots—to know who and what can help you make up for the skills that your dominant logic may not necessarily give you. The goal is not to try to become a different kind of thinker but to embrace your dominant logic and learn how to complement it by surrounding yourself with thinkers of all kinds.

PEOPLE, PRACTICES, PURPOSES

In the Competing Values Framework, 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 innovation that both enhance and detract from each other. The CVF integrates these three parts by looking at how they function individually and how they function together:

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

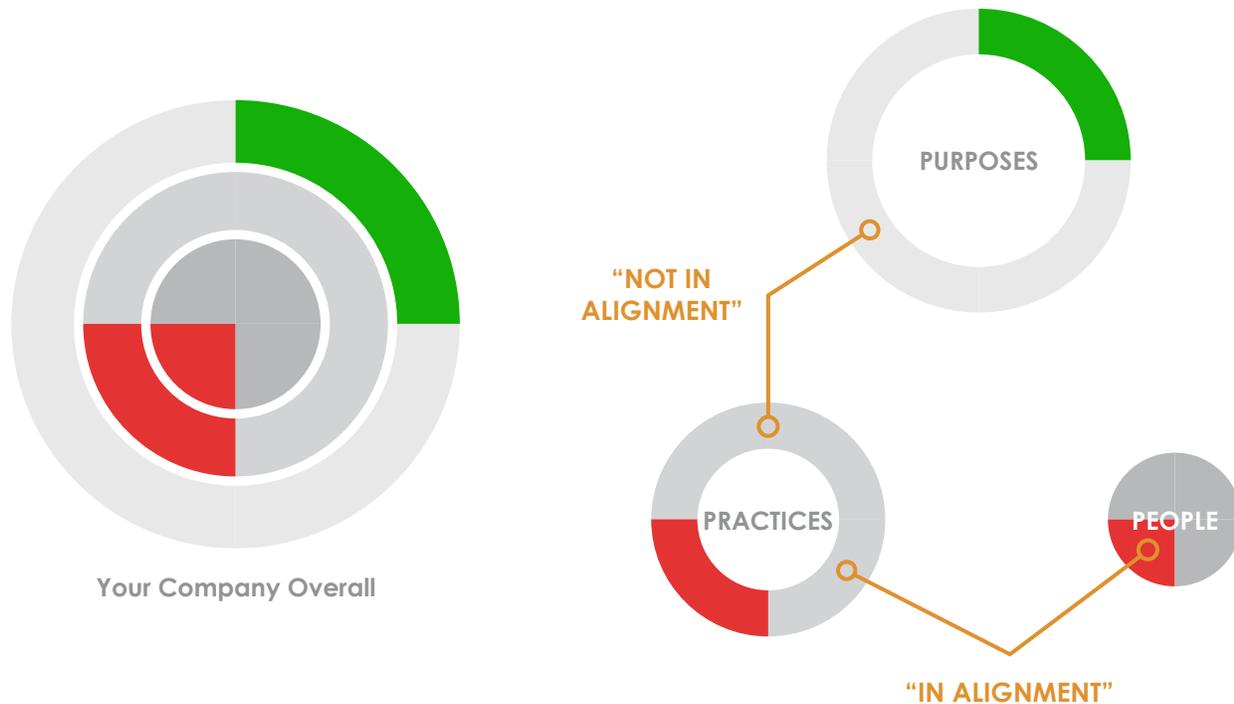


Image 3 - Example of Alignment

Sometimes you want these things to align with each other—and sometimes you want to embrace constructive conflict.

The first kind of alignment is between **PRACTICES** and **PURPOSES**: The only way to reach your targets is to make sure that the way you actually run things matches up with the way you want them to be. In other words, your practices must align with your purposes (goals).

The second kind of alignment is between **PEOPLE** and **PRACTICES**: Do you feel like you, as an individual, have the same values as your organization? Individuals need to feel like they belong in the organization, which thrives on including a variety of people with diverse interests and talents.

THE FOUR QUADRANTS

Yellow (COLLABORATE) Quadrant

Individual: teachers, communicators, counselors, listeners, conflict mediators, community builders

Workplace: service-oriented, long-term growth, interconnected communities

Pros: building generations of future leaders, expression of emotion, putting people at ease

Cons: groupthink, irrational enthusiasm, isolation from external pressures

Table 1 - The Relationship Between the Collaborate Quadrant & the Other CVF Quadrants

COLLABORATE	If you are a “Yellow”	If your team is “Yellow”	If your business unit is “Yellow”	If your firm is “Yellow”
Then...	You will create value through your commitment to teaching and mentoring others.	Value is created through the team’s commitment to nurturing learning among team members.	Value is created through commitment to fostering organizational learning.	Value is created when human capital and organizational knowledge are nurtured to create sustainable competitive advantage.
And you work with “Reds” (Control), then...	Your relationship with these individuals will succeed when you place a collective emphasis on learning to do things the right way.	Your team will create value with other teams when best practices for doing things the right way are shared.	Your business unit will successfully create value with other units when structured learning systems are built and shared.	Your firm will create value with other firms through the nurturing of long-term and trusting relationships that build industry specific knowledge and practices.
And you work with “Greens” (Create), then...	Your relationship with these individuals will succeed when you collectively try new things, generate new ideas, and mutually learn what works and what doesn’t work in a supportive manner.	Your team will successfully create value with other teams by collaborating on creative projects in order to learn about things that work and things that don’t work as well as ways to improve.	Your business unit will successfully create value with other units when large-scale innovation projects are launched and nurtured for long-term success.	Your firm will create value with other firms through innovative, long-term joint ventures when the objective of the venture is to generate new industry knowledge.
And you work with “Blues” (Compete), then...	The difficulties in your relationship with these individuals will center on matters of individual deadlines and responsibilities. Make sure to let the others set deadlines, but take a leading role in clarifying details and encouraging positive communication about mutual responsibilities.	Your team will have a difficult time agreeing on mutual objectives with other teams. Your team’s objectives might seem vague to the other team, and the other team’s objectives might appear to be doing too much. Push your own team to be more concrete, and use the language of the other team’s objectives in the articulation your own objectives.	Your business unit will have a difficult time with other units because of a disconnect over matters of speed toward completion as well as specific project objectives. Keep your business unit focused on setting realistic objectives that balance the need for speed with the need to learn what works and what doesn’t work while maintaining strong communication.	Your firm will find it difficult to establish deep trust with other firms because of a disconnect over the speed at which collaboration should occur and the time it takes to establish trust. To overcome this, focus the relationship toward a specific project. Set realistic project deadlines and use the various project steps as checkpoints for issues of trust.

Green (CREATE) Quadrant

Individual: dreamers, visionaries, trend-setters, big-picture thinkers, energizers

Workplace: take bold risks, high-energy atmosphere, run experiments

Pros: dynamic and exciting environment, look towards the future, understand how the pieces fit together

Cons: unrealistic vision, poor methodology, lack of discipline

Table 2 - The Relationship Between the Create Quadrant & the Other CVF Quadrants

CREATE	If you are a “Green”	If your team is “Green”	If your business unit is “Green”	If your firm is “Green”
Then...	You will create value through your ability to turn creative risk into growth projects.	Value is created through the team’s support of playfulness, divergent thinking, and risk.	Value is created through the creation of idea spaces and idea structures that support creativity and divergence.	Value is created through systems and cultures of risk-taking and divergence. Free-thinking projects are nurtured and provide a channel for growth.
And you work with “Yellows” (Collaborate), then...	Your relationship with these individuals will succeed when there is an emphasis on trying new things, coming up with new ideas, and learning from them in a supportive manner.	Your team will successfully create value with other teams by collaborating on creative projects in order to learn about things that work and things that don’t work as well as ways to improve.	Your business unit will successfully create value with other units when large-scale innovation projects are launched and nurtured for long-term success.	Your firm will create value with other firms through innovative, long-term joint ventures when the objective of the venture is to generate new industry knowledge.
And you work with “Blues” (Compete), then...	Your relationship with these individuals will succeed when there is a mutual emphasis on generating attention (or cheerleading) for a common visible project.	Your team will create value with other teams when there is a mutual enthusiasm for launching new projects.	Your business unit will successfully create value with other units when knowledge about stage-gating profitable, visible, growth-oriented projects is shared.	Your firm will create value with other firms when such a partnership generates capital for large, visible, and highly innovative, growth projects.
And you work with “Reds” (Control), then...	The difficulties in your relationship with these individuals will center on matters of risk. Your big ideas will likely be perceived as “risky” if they are not carefully shared. All projects have some degree of risk, so you must direct your efforts toward outlining reasonable risks and reasonably foreseeable rewards in an analytical way.	Your team will have a difficult time working with other teams because of disagreements about the nature of new ideas. Reds will challenge the functional feasibility of these ideas. In order to overcome this, make sure your team develops a proof of concept for the idea that addresses any issues of feasibility.	Your business unit will have a difficult time with other units because of conflicting perspectives on the ways in which the company should pursue new growth ideas. Both sides will have a difficult time balancing and evaluating functional risk and reward. Your business unit must recognize that risk is inevitable and present some creative ways in which it might be mitigated.	Your firm might find it challenging to partner with Control quadrant firms on a macro-level. Instead, look to these firms as a potential resource for specific capabilities, and try to form smaller scale alliances rather than larger scale joint ventures.

Blue (COMPETE) Quadrant

Individual: competitors, decision-makers, goal-oriented achievers, sprinters, deal-makers

Workplace: fast-paced, cutthroat environment, consistently produce revenue

Pros: logical and analytical, to-the-point, action-oriented

Cons: over-emphasis on competition, short-term focus, autocratic decision-making

Table 3 - The Relationship Between the Compete Quadrant & the Other CVF Quadrants

COMPETE	If you are a “Blue”	If your team is “Blue”	If your business unit is “Blue”	If your firm is “Blue”
Then...	You will create value through your ability to get things done quickly and by meeting prescribed metrics.	Value is created when a team acts as a filtering mechanism for leaders and winners.	Value is created when it performs well enough against other business units in order to justify its existence within the organization.	Value is created through systems that position the firm to provide superior returns to shareholders relative to other competitors.
And you work with “Green” (Create), then...	Your relationship with these individuals will succeed when there is a mutual emphasis on generating attention (or cheerleading) for a common visible project.	Your team will create value with other teams when there is a mutual enthusiasm for launching new projects.	Your business unit will successfully create value with other units when knowledge about stage-gating profitable, visible, growth-oriented projects is shared.	Your firm will create value with other firms when such a partnership generates capital for large, visible, and highly innovative, growth projects.
And you work with “Reds” (Control), then...	Your relationship with these individuals will succeed when there is a mutual interest in minimizing some sort of risk.	Your team will create value with other teams when there is a mutually specific goal that minimizes risk and maximizes return on investment.	Your business unit will successfully create value with other units through key projects with clear goals, timelines, responsibilities, and outcomes.	Your firm will create value with other firms when there are clear objectives for and resources available to mutual ventures. Ventures will be transaction based and will focus more on the outcome of the exchange rather than the exchange itself.
And you work with “Yellows” (Collaborate), then...	The difficulties in your relationship with these individuals will center on matters of individual deadlines and responsibilities. Make sure to allow adequate time for positive communication and the discussion of responsibilities, but take a leading role in setting reasonable targets and deliverables.	Your team will have a difficult time agreeing on mutual objectives with other teams. Your team’s objectives might seem too aggressive and unrealistic to the other team, and the other team’s objectives might seem too vague. Push your own team to set more realistic goals that allow some room for a reasonable amount of failure and learning.	Your business unit will have a difficult time with other units because of a disconnect over matters of speed toward completion as well as specific project objectives. Keep your business unit focused on setting realistic objectives that balance the need for speed with the need to learn what works and what doesn’t work while maintaining strong communication.	Your firm will find it difficult to make things happen quickly because of a disconnect over the speed at which collaboration should occur and the time it takes to establish trust. To overcome this, focus the relationship toward a specific project. Set realistic project deadlines and use the various project steps as checkpoints for issues of trust.

Red (CONTROL) Quadrant

Individual: planners, organizers, analysts, technicians, methodological problem-solvers

Workplace: by-the-book, scalable growth, values order and structure

Pros: strong sense of professionalism and expertise, ambitious, reliable procedures

Cons: too much right-way and wrong-way thinking, bureaucratic, control-freaks

Table 4 - The Relationship Between the Control Quadrant & the Other CVF Quadrants

CONTROL	If you are a “Red”	If your team is “Red”	If your business unit is “Red”	If your firm is “Red”
Then...	You will create value through your attention to detail and your ability to recognize incremental opportunities.	Value is created when the team’s long-term reliability and consistency are institutionalized as best practices or processes.	Value is created when it connects practices, processes, and systems with growth objectives.	Value is created through consistent identification of growth projects from the careful ongoing evaluation of practices and processes.
And you work with “Yellows” (Collaborate), then...	Your relationship with these individuals will succeed when you place a collective emphasis on learning to do things the right way.	Your team will create value with other teams when best practices for doing things the right way are shared.	Your business unit will successfully create value with other units when structured learning systems are built and shared.	Your firm will create value with other firms through the nurturing of long-term and trusting relationships that build industry specific knowledge and practices.
And you work with “Blues” (Compete), then...	Your relationship with these individuals will succeed when there is a mutual interest in minimizing some sort of risk.	Your team will create value with other teams when there is a mutually specific goal that minimizes risk and maximizes return on investment.	Your business unit will successfully create value with other units through key projects with clear goals, timelines, responsibilities, and outcomes.	Your firm will create value with other firms when there are clear objectives for and resources available to mutual ventures. Ventures will be transaction based and will focus more on the outcome of the exchange rather than the exchange itself.
And you work with “Green” (Create), then...	The difficulties in your relationship with these individuals will center on matters of risk. Others will perceive your assessment of risk and caution as an obstruction of ideas and progress. Make sure your concerns are reasonable and look for ways to turn these concerns into opportunities for new ideas.	Your team will have a difficult time working with other teams because of disagreements about the nature of new ideas. Greens will appear to disrespect the practicality and feasibility of these ideas. Your team should use its expertise to help the other team develop a proof of concept of the actual idea while recognizing that some degree of failure is normal during this stage.	Your business unit will have a difficult time with other units because of conflicting views on the ways in which the company should pursue growth. Both sides will have a difficult time balancing and evaluating risk and reward. Your unit must recognize that some risk is necessary for growth. Look for common ground that represents reasonable risk but yields significant growth potential.	Your firm might find it challenging to partner with Create quadrant firms on a macro-level. Instead, look to these firms as a potential resource for ideas. A formal partnership might not work, but consulting, solutions-oriented, or technology transfer arrangements might be more appropriate.

IF YOU NEED TO BE MORE...

“YELLOW”	Community	Knowledge
Examples of actions you can take that impact...	<ul style="list-style-type: none"> • Involve people who will be affected by change in the planning and implementation. • Allow people to talk about their reactions and feelings, especially when they feel that they are losing something due to change. • Identify a change champion in your organization, and work with them to support and initiate change. • Hold feedback meetings in order to give employees the opportunity to express their feelings about how the change is going. 	<ul style="list-style-type: none"> • When planning change, ensure that objective, responsibilities, time frame, etc. are defined and clearly communicated to people and then give them freedom to experiment. • Tell people what you think the change will mean for them and then request and listen to their feedback and reactions. • Ask for a lot of advice in a change situation • Meet with someone who has successfully implemented change. Discuss the steps that were taken throughout the change process. Review your own plans for change with this person.
Examples of priorities that your team can determine that impact...	<ul style="list-style-type: none"> • Creating a sense of cohesion in the organization. • Establishing shared values among people. • Facilitating conflict resolution. • Integrating personal and professional goals. • Encouraging commitment. 	<ul style="list-style-type: none"> • Training, mentoring, and coaching. • Develop a learning organization. • Building cross-functional teams. • Nurturing communities of practice. • Organizational competency and culture development.

Table 5 - Using the Collaborate Quadrant as a Strategic Priority

“GREEN”	Innovation	Growth
Examples of actions you can take that impact...	<ul style="list-style-type: none"> • Hold idea-sharing events in your work setting such as cross-functional task forces, focus groups, and book reviews. The idea is to address questions such as – <i>What is new? What problems do we have that we don't expect anyone to solve?</i> • Encourage action learning. Try things first. Then analyze what you have learned from success or failure. Don't wait until you are certain of success before you take action. • Purposefully take a risk in your decisions by trying a new alternative solution or a different process. • Create a file of new ideas. Each time you think of something innovative related to your work, write it down, and file it. 	<ul style="list-style-type: none"> • Establish goals, and hold people accountable for producing innovative ideas. Make it part of everyone's job description. • Establish a “practice field” that is separated from normal daily work where new ideas can be tried and low-cost experimentation can occur. This could be an actual physical location with time off and some resources. • Create a climate in which people feel free to fail and admit it. Remember that the best baseball hitters succeed only 33% of the time. • Generate as many options as you can during problem identification and the generation of alternatives in a problem-solving process.
Examples of priorities that your team can determine that impact...	<ul style="list-style-type: none"> • Jumpstarting breakthrough experiments. • Launching radical change programs. • Stimulating people to think creatively. • Destroy the old way of doing things. • Hiring and staffing for diversity. • Creating a flexible and open workplace. 	<ul style="list-style-type: none"> • Forecasting the future. • Launching entrepreneurial ventures and spin-offs. • Developing new products and services. • Speculating emerging opportunities.

Table 6 - Using the Create Quadrant as a Strategic Priority

IF YOU NEED TO BE MORE...

“BLUE”	Speed	Profits
Examples of actions you can take that impact...	<ul style="list-style-type: none"> • Give customers what they want the first time, every time, then work toward exceeding those expectations, and surprise them with levels of service they would never expect or request. • Keep track of trends and predictions of the future of your industry or sector. Monitor what is happening demographically with your competitors, foreign and domestic. • Acknowledge and legitimize improvements that save as little as one second. • Never let 24 hours pass without asking at least one customer what they want. Constant inquiry will produce a constant flow of ideas. 	<ul style="list-style-type: none"> • Identify cutting-edge organizations that to establish trends in their businesses. Based on what you observe, project a future for your organization. What will you have to do in order to achieve world-class status? • Acknowledge and legitimize improvements that save as little as one cent. • Make continuous improvements a key feature of the vision that was articulated for your unit. • Make it easy for employees as well as customers to complain and give suggestions. Make the assumption that more input is better. Actively seek improvements from employees and customers.
Examples of priorities that your team can determine that impact...	<ul style="list-style-type: none"> • Deploying small elite troubleshooting project teams. • Quickly eliminating underperforming initiatives. • Confronting problems as soon as they occur. • Making real time decisions in a fast moving workplace. • Driving through barriers. 	<ul style="list-style-type: none"> • Driving for superior returns on investments. • Focusing on a few quantifiable performance objects. • Rewarding high performance disproportionately from others. • Maximizing value through project portfolio management. • Initiating mergers and acquisitions.

Table 7 - Using the Compete Quadrant as a Strategic Priority

“RED”	Efficiency	Quality
Examples of actions you can take that impact...	<ul style="list-style-type: none"> • Learn to use computer software packages to forecast and monitor work (e.g. budget, human resources). • Use computer software packages to monitor and measure work processes and outcomes. • Break problems and issues apart into smaller components in order to thoroughly understand details. • Repeatedly ask “why” questions regarding unclear processes. • Refuse to be intimidated by confusing processes. Ask, probe, and discuss until you do. 	<ul style="list-style-type: none"> • Measure improvement, not just task or goal accomplishment. • Institute regular audits of each unit in your organization in order to find ways to improve it. • Establish past performance as the standard against which to measure success. • Critically analyze the key reports that are produced by and for your unit in order to assure accuracy and usefulness.
Examples of priorities that your team can determine that impact...	<ul style="list-style-type: none"> • Conserving fiscal resources. • Implementing systems to control complex tasks. • Making internal work processes routine. • Employing technology on a large scale. • Compelling suppliers to reduce costs. • Establishing clear roles and responsibilities. 	<ul style="list-style-type: none"> • Applying quality control systems to prevent costly mistakes. • Complying with regulations. • Adhering to professional standards. • Using continuous improvement processes.

Table 8 - Using the Control Quadrant as a Strategic Priority

WHAT TO DO NEXT?

	Actions	Dates
COLLABORATE		
COMPETE		
CREATE		
CONTROL		

Table 9 - A Template for Taking Actions