Spiral dynamics
the layers of human values in strategy

Christopher C. Cowan and Natasha Todorovic

*Chris Cowan is the co-founder of National Values Center, Inc., (NVC) and is a partner in NVC Consulting
(www.spiraldynamics.com). He is co-author of* Spiral Dynamics: Mastering Values, Leadership and Change
(Blackwell Publishers, 1996). Natasha Todorovic is a partner with NVC Consulting.

Abstract *Strategies often go awry because organizational leaders
are not fully aware of the values held by its members. No matter how
brilliant the analysis that underlies a strategy, it is the people – from
the board room to the factory floor – who must understand and
implement the strategy. That only happens when the strategy fits
their values. Values matter. Ethical decisions and actions are based
on values. The authors present a psychological theory that describes
three levels of values: surface values, hidden values, and deep
values, and explain how these values affect an organization's
leaders and followers as they pursue their mission.*

Keywords *Organizational culture, Strategy, Implementation,
Motivation, Core beliefs, Values*

"The best laid strategies o'mice and men oft
go awry ..." because organizational
leaders didn't do a values audit first. No
matter how brilliant the economic and market analyses
that underlie a strategy, it's the people – from the board
room to the factory floor – who must understand and
implement the strategy. That only happens when the
strategy fits *their* values.

When we say "values," we are not talking about
economic worth, monetary return to shareholders, or
investment bankers' smiling faces. Instead, think in
terms of corporate values, shared values, core values,
traditional values, and family values. We are talking
about the soft side – a people factor, not a financial
consideration. And this factor is getting increasing
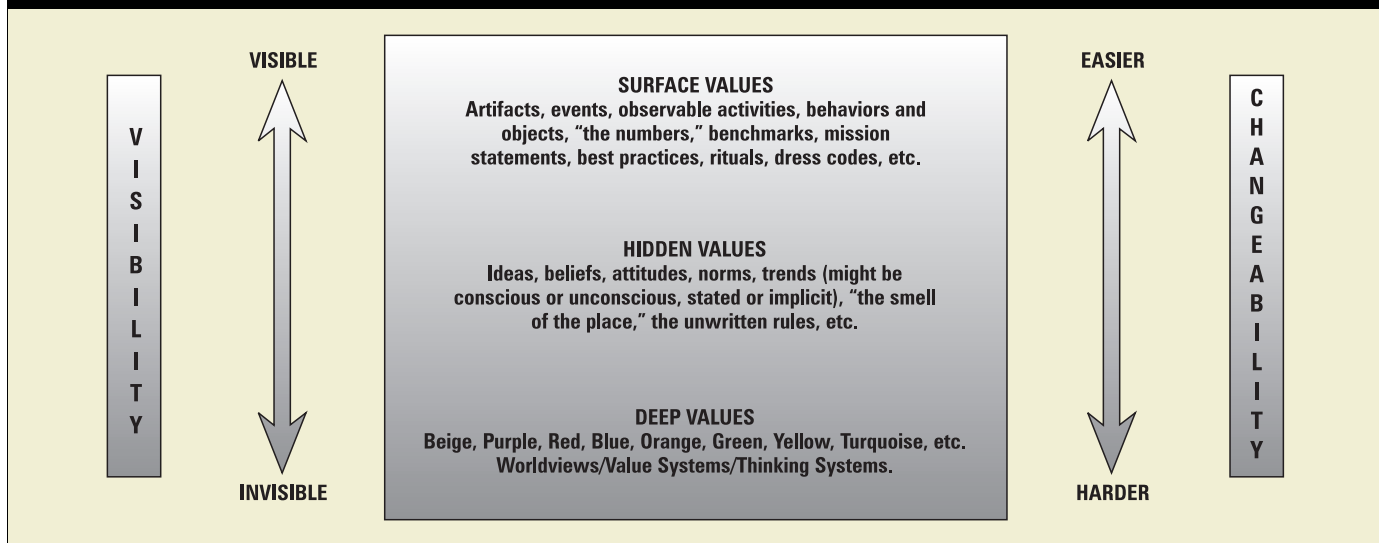prominence on investor relations pages on corporate
Web sites for good reason.

Values matter. We base ethical decisions and actions
on values. In *Results Based Leadership*, Ulrich, Zenger,
and Smallwood propose that choices between short- and
long-term results are best made by "leaders with an
articulated set of values... Leaders who understand their
company's and their personal values build lasting
results... Lacking clear values, rudderless leaders
constantly shift from goal to goal"[1].

Surface values float on top of the stream

There are three layers in the values stream. (See Exhibit 1.)
The first layer, surface values, are openly stated, moral
positions and behavioral rules. They are based in
religion, law, and common sense. Stated overtly or not,
they set standards for how people and corporations
conduct themselves. Values are keys to character. They
separate right from wrong and stack priorities. Like
leaves floating on top of a river, we can see and touch
them.

Strategy sometimes scans surface values in mission
and vision statements. "This we believe ..." shows up in
reward schemes, ethics codes, office layouts, and social

Exhibit 1 — Three levels of values

VISIBLE

VISIBILITY

INVISIBLE

SURFACE VALUES
Artifacts, events, observable activities, behaviors and objects, "the numbers," benchmarks, mission statements, best practices, rituals, dress codes, etc.

HIDDEN VALUES
Ideas, beliefs, attitudes, norms, trends (might be conscious or unconscious, stated or implicit), "the smell of the place," the unwritten rules, etc.

DEEP VALUES
Beige, Purple, Red, Blue, Orange, Green, Yellow, Turquoise, etc. Worldviews/Value Systems/Thinking Systems.

EASIER

CHANGEABILITY

HARDER

patterns. People build relationships, quit jobs, and fight wars over them. Surface values express what matters, but there are more layers to be uncovered in values analysis.

Hidden values – currents in the stream

If surface values are like leaves floating on a stream, the next layer, hidden values, are the core currents that carry them bobbing past. A good sense for hidden values sniffs out the reasoning beneath surface values and exposes why long-standing beliefs, attitudes, and traditions exist in organizations. In *The Individualized Corporation*, Ghoshal and Bartlett refer to this as "the smell of the place"[2]. Hidden values waft through an operation – be it total commitment to quality, supporting life-long learning, or protection of beloved incompetents.

Hidden values are easy to miss. Naïve, cost-cutting efforts run roughshod over hidden values, and veterans of the acquisition game know that many deals fail to realize their promise due to difficulties in melding values. In *Built to Last* Collins and Porras say: "Core values are the organization's essential and enduring tenets – a small set of timeless guiding principles that require no external justification; they have intrinsic value and importance to those inside the organization"[3]. Values have momentum like flywheels – hard to stop and difficult to turn. Powerful as hidden values are, something deeper shapes them.

Spiral dynamics: the bedrock of deep values

Hidden values flow from deep values. Spiral dynamics is the study of the emergence and patterns of deep values that mold strategists' worldviews, form corporate mindsets, structure leader/follower relationships, establish decision structures, and define reality[4]. (See sidebar, "Principles of spiral dynamics.") Understanding deep values provides a scaffold to stand on while

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Principles of spiral dynamics

◆ People, groups, societies, and organizations find value in different things because they think in different ways. They think in different ways because their human composition – physical neurology and life experiences – are different. The same core principles of value systems apply to individuals, corporations, and societies.

◆ Different groups of people inhabit different bio-psycho-social-spiritual spaces along the spiral. Their thinking fits the world as it is from that perspective. They need forms of organizing and managing that fit their thinking as it is today, and as it will be tomorrow.

◆ Those responsible for strategy, whether for internal development, external M&A, or other analysis, should look at values in both economic and people terms. Many strategy initiatives fail because they concentrate on objective data and leave out the "soft side" of culture and values. Incorporating the human factors is the key to successful implementation.

◆ Today's problems are yesterday's solutions; today's answers only lead to tomorrow's questions. Successful organizations are in danger of failing if they continue to manage people in the ways that made them successful in the first place. New strategy suggests change. Viable strategy must account for all six conditions for change.

◆ Many people in organizations today expect and need to be managed quite differently from the ways their own managers prefer to be led. Strategy has to create a model for both/and rather than either/or thinking. The shift of logic from or to and is profound.

◆ Strategies often fail because the designers look into their "strategic mirrors" and assume the organization understands and wants what they do, and that its people are ready and truly willing to do as the strategy requires.

◆ The question is not "how do you lead people?" but how do you relate what needs to be done into their natural motivational flows? If you can flesh out the answers within the question, "How should who manage whom to do what, and when?" you're on the road to including the values component in strategy.

◆ Value systems move like a joy stick and glide from looking inward to focusing outward, and from attention to the individual to thinking as a collective.

analyzing why people think as they do and how they are likely to think next.

Credit for the original research behind spiral dynamics goes to the late Dr Clare W. Graves, who invested his career in a quest for the nature of change in human systems. The seeds Graves planted are growing fast now that people are asking the questions this framework addresses. In a 1966 *Harvard Business Review* article he wrote:

> According to this point of view, the psychology of the mature human organism is an unfolding of emergent process marked by the progressive subordination of older behavioral systems to newer, higher order behavior systems. The mature human being tends normally to change his psychology as the conditions of his existence change. Each successive stage or level is a state of equilibrium through which people pass on the way to other states of equilibrium. When a person is in one of the states of equilibrium, he has a psychology which is particular to that state. His acts, feelings, motivations, ethics and values, thoughts, and preference for management all are appropriate to that state. If he were in another state, he would act, feel, think, judge, and be motivated in a different manner[5].

The "states" Graves described are bio-psycho-social systems that include neurology and physiology, cognitive processes and experiences, even a spiritual component. They are deep values containers; surface values and hidden values are the contents. Deep values are alive, so spiral dynamics blends the notion of a growing spiral of thinking with dynamic forces of change. Living with the problems of human existence activates built-in mind/brain systems to produce a series of evolving deep values.

There are eight zones along the spiral thus far. (See Exhibit 2.) They are designated as: beige, purple, red, blue, orange, green, yellow, and turquoise. Each is flanked by an "entering" phase, which carries some of the previous thinking forward, and an "exiting" phase, which recognizes the problems of existence coming next. Deep-values systems almost never appear alone – most of us have several of them ebbing and flowing situationally. They brighten and dim as external circumstances and internal states change. Each represents its own reality no better or worse than another, only more or less appropriate to the circumstances. Deep values emerge up the spiral and shift in focus from "me" to "we" and "inner" to "outer."

The first three deep-values systems – beige, purple, and red – are generally overlooked in strategy and fall into blind spots of corporate executives. (In reading the following descriptions, keep in mind that capitalized words refer to the dominant worldview; words in lower case indicate support and back-up value systems.)

BEIGE – express self instinctively and automatically for biological survival

Deep values^{Beige} was cutting edge thinking in the Stone Age and now exists mostly in infancy and infirmity.

Relief agencies deal with elements of deep values^{Beige} for refugees, and quasi-Stone Age bands remain in isolated places on earth. Healthcare and daycare for people in this zone are growing concerns for aging societies.

PURPLE – sacrifice self to the wishes of the elders and the ways of the ancestors to placate the spirits

Deep values^{Purple} introduces animistic thinking, which tries to find cause for effects in a world that is often mysterious and sometimes scary. Many assume that purple is the domain of children and anthropology, although family photos and sentimental artifacts on desktops are part of it. Rich purple bonds foster teamwork and trust contributing a sense of belonging, but nepotism and tight-knit groups can prevent needed changes. This zone is invisible to many strategists since family-like attachments, spirituality, and rituals fall under strategic radar. It can make or break implementation.

After purple, a strong sense of self arises as me-oriented red turns on. The focus begins shifting toward control of the world outside. As red intensifies and reciprocal tribal bonds and obligations loosen, one can expect rough-and-ready acting out that displays fearlessness.

RED – express self impulsively and without guilt lest one suffer unbearable shame

The deep values^{Red} band is egocentric. Everything revolves around the now powerful self whose world is tough and dog-eat-dog, and where might makes right. For children, red surges in the "terrible two's" – "me against the world; I don't have to obey anyone; nobody puts me down." Sometimes passive, often raucous; attention and dominance are central. Red's "just do it" attitude is unconcerned with consequences or the future.

Corporate reshuffling and right-sizing can turn up red. Defensive walls rise, tempers get short, and paranoia increases when survival is at stake – life conditions change; so does thinking. Red exercises exploitive power. Leadership must be firm but fair – no threats, just promises. Include immediate, tangible rewards and strong controls since boundaries will be tested. The leader is the boss, no questions asked, but one who gives and gets respect.

At exiting, RED/blue, ego remains strong as doubt creeps in with the first glimpse of something mightier than self-mortality and eternity. A higher purpose is waking up. In the red/BLUE entering zone there can be self-righteous zeal to impose the one true way. Charismatic leaders and revolutionary heroes are celebrated.

Exhibit 2 — Zones in the dynamic spiral

World view	Key objectives	How to accomplish goals	Mising statement	Approach to working
Beige	Just staying alive	Respond as instincts and senses direct to meet biological needs	To survive as a phyical being	Instinctive, automatic, and reflective
Beige/Purple – Awakening of a sense of dependent self in a mysterious and frightening world				
Purple	Finding safety/kinship/harmony/ reciprocity	Follow ancestral ways and elders, listen to spirit world, form safe tribes	To find safety and bring honor to family and ancestors	Ritual ways where all share in and follow elders, chief, customs
Purple/Red – Awakening of an egocentric self determined to break the shackles of the family or tribe and become independent				
Red	Raw individualism/exerting dominance/power/survival	Exploit others, feel no guilt, be courageous, avoid shame, live in the moment	To get power and respect, have a good time, be heroic	Hands-on, tough work controlled by firm, respected boss
Red/Purple – Awakening of purposeful self with guilt in search of a meaningful existence and reasons why we live and die				
Blue	Meaning in life and death/ stability/order/deserve reward	Seek absolute truth, obey rightful higher authority, keep things in order	To find purpose and ultimate security by living righteously	Linear processing, by-the-book with errors punished, dutiful
Blue/Orange – Awakening of an independence-seeking self who challenges higher authority and tests possibilities				
Orange	Autonomy/success/best options/material gain/novelty/ change	Strive to win, make things better now, risk as needed, network, explore options	To make things better by setting goals and mastering life's game	Competing to gain advantage and come out in control, on top
Orange/Green – Awakening of a sociocentric self who strives for belonging and acceptance to discover inner harmony				
Green	Affilliation/peace of mind/ balance/sense of community	Sacrifice for mutual gain, share, cooperate to build consensus, teamwork	To find peace in a sharing community by becoming useful	Cooperative in joint ventures where all contribute and share
Green/Yellow – Awakening of an inquiring, interdependent self who no longer needs approval yet can collaborate				
Yellow	Knowledge/freedom to be free/ discovery of what life is about	Learn diverse things, follow personal principles, be flexible, non-competitive	To be free to explore important things and interconnections	Independent focus on complex systems and functional flow states
Yellow/Turquoise – Awakening of an experiential self who seeks ways of being that use knolwedge to restore natural harmony and balance				
Turquoise	Viability for all beings in a complex, sustainable world	Explore consciousness, be holistic, exercise global responsibility and interests	To become one with all things and thus a responsible being	Unify and integrate diverse knowledge and ways of being

BLUE – sacrifice self now to the one true way and obey rightful authority so as to deserve reward later

The next quest is for meaning and purpose in life to find peace of mind. Thinking focuses outside to find truth and authority. It is absolutistic and linear, producing categories for people and a dogmatic belief in rules and procedures. Whereas guilt was minimal with red, it surges in deep values^{Blue}. Stability comes from obedience to proper higher authority. Many people in government and traditional corporations are still here, devoted to the one right way, living to do what's right and avoid punishment. Blue aspires to order. Change, if it comes, produces stress and requires a step-by-step plan down the chain of command. Here, strategic planning takes on a doctrinaire, almost religious tone.

Surface values tend to be polar – friend or enemy, true or false, right or wrong, moral or immoral. Blue separates doers from thinkers, designers from implementers, and strategy from operations, since everyone has a *proper* place. The hidden values derive from certainty, often producing rigid "true believer" ideas.

Rightful authority designs the strategy upstairs, formalizes procedures, eliminates randomness, and increases structure. Leaders persuade the "truth-holders" of the particular surface values and enforce policies by the book. Competence and know-how take a back seat to rank and position. Strategy often means systematically refining and polishing the rules thereby fine-tuning the status quo. Duty and commitment are watchwords; innovation and risk are not.

Exiting BLUE/orange brings a smattering of self-interest and questioning of authority. The individual's own right-thinking mind begins to take over, often spouting maxims and slogans to defend the new expressive stance. Strategic planning really takes off here, since it helps organizations move out of blue by anticipating the future and adjusting variables for best (not singularly right) results. As orange brightens, the rules become open to interpretation.

ORANGE – express self calculatedly to achieve what self desires, but so as not to arouse the ire of others

This one is familiar. In the deep values^{Orange} zone, there are many ways to do something; however, the best way is found through experimentation and analysis. What is measured gets done; crunch the numbers. Thinking is multiplistic with alternatives rather than linear and absolute. The externalized desire for purpose turns inward, driving needs for achievement, autonomy, and independence. Productivity is rewarded by progression up the economic food chain. Competition motivates the market. Winners rise; losers are roadkill. Clever action, skillful entrepreneurism, and calculated risks lead to personal fulfillment. Seize opportunities and create excellence.

Fascination with change and constant improvement gives rise to many competing schools in strategy and the flavor-of-the-month syndrome in organizational development. Mastery of the physical world and its mechanisms drive research. Applications of principles and tried-and-true expertise direct management. Leaders for the free-market, orange world must model success and sharpen their cutting edges. They must exude confidence and offer rewards followers seek. The game's the thing.

For some people, competitiveness and drive lead to loneliness. For others, success gives surplus energy and time. Often, ORANGE/ green awakens to ask, "Is that all there is?" This first blush produces lip service to collaborative teamwork largely to enhance the bottom line. Gradually, the need for self-improvement to gain advantage becomes self-discovery to gain a sense of belonging and harmony with others. Strategy begins to explore cultures and learning more than ratios and market share. At the entry to green, members of the orange/GREEN circle serve each other, learn together, and share their collective vision. Results might be measured in dollars and cents, or perhaps by how many hungry children are fed.

> "Strategists and leaders are affected by the colored lenses of their own deep values glasses. . . . To serve strategy, all layers of values must be tracked across employee groups, companies, industries, governments, and societies – not just the surface marketing data and hidden cultural attitudes."

GREEN – sacrifice self now, to obtain now, for self and others

People drop out of the competitive rat race in deep values^{Green} as consumptive notions that bigger is better fade. Thinking is now relativistic, context-sensitive, situational, and intuitive. Inner peace, a balanced life, equality, and contributing to the common good are important. This is not just recycling, sustainability, or chic enviro-green marketing; those are surface values that can arise from several places. At deep values^{Green}, one really begins to sense unity among people, their work, their spirits, and their world. Shared responsibility and collective guilt emerge.

Strategy design and implementation embrace people throughout the organization who might be affected by changes and who care to contribute. Humans are not just resources; they are the company. Effective strategy builds consensus and support while communicating the "story" of why it's important and good for everyone involved.

Strategists must look at green more closely, because this deep values system is growing rapidly in today's workforce. Socially responsible organizations are becoming more attractive to investors and potential employees. Analysis concentrates on the impact change has on people. The strategy industry has barely acknowledged egalitarian thinking. Recognizing it forces human factors into the equation of even traditional organizations, helping them line up for the next wave. It is absolutely essential to include green thinking in a fully functioning strategy, yet most models still do not.

Green has its downside, which includes costs of group-think, opposition to individualism, and difficulty balancing efficiency, effectiveness, and results with time, money, and energy consumed. Green leadership is like herding cats. Because the group is so strong and hates hierarchy, leaders cannot stand above or apart. Australians refer to the "tall poppy syndrome" – anyone who is too successful or too self-assured is first to be cut down.

The green team, with all its learning and sharing, can be a loving trap as the price of collectivism becomes apparent at green/yellow. The focus starts to turn inward again. Suddenly there is not enough variability; right-speak is stifling; for some, the sense of belonging is at the

cost of individuality. The transition into green/yellow holds onto sensitivity to human factors, but the group is not an end' in itself. The spotlight refocuses from either/or to both/and as results and people form parts of a more integrative whole.

YELLOW – express self as self desires, but never at the expense of others or the earth

Deep values^{Yellow}, for the first time, begins to connect into a single package the internal and external forces that impact individuals and organizations. The whole spiral begins to show up all at once, although "I" still comes first in this express-self zone.

Yellow thinking is characterized by freedom from fear and compulsiveness, which results in a sense of existential freedom and an ecological view that tolerates both structure and randomness. Personal principles take precedence over rules. The individual/organization tries to find appropriate ways of being, taking no more than it gives, ensuring balance and a sustained system. Business, social events, family, and play combine in the whole-brain experience of being, not having or doing. Dee Hock, former head of Visa, has coined the term "chaordic" to represent the mixture of chaos and order inherent in this worldview and the organizing principles it represents.

Traditional leaders often throw up their hands. Employees working through this yellow range have little loyalty to the organization or work group, only the work. They do not respond to threats, coercive power, competition, illogical rules, authoritarianism, or the usual incentives. They do not tolerate fools for long. Authority matters only if it is accompanied by competence. Status symbols do not impress. Form follows function. The motivations and career goals of employees at this level often do not make sense to their managers.

Effective leadership creates an organization that trusts its members to be responsible, involved and curious. It provides resources, information, and materials but not much oversight, since driving performance does not work for deep values^{Yellow}. Gaining knowledge from many sources, not just learning information, is part and parcel of the experience of living. Change is easier because management is not fixed and the structure shifts as conditions change. Strategy is a process of constant adaptation and adjustment. The characteristics of the yellow organizations are shown in the accompanying sidebar.

Mintzberg, Ahlstrand and Lampel suggest this thinking in *Strategy Safari*[6]. Just substitute "and" for "or" in the following excerpt:

> Accordingly, the process of strategy making can be one of conceptual designing ~~or~~ (*and*) formal planning, systematic analyzing ~~or~~ (*and*) leadership visioning, cooperative learning ~~or~~ (*and*) competitive politicking, focusing on individual cognition, collective socialization, ~~or~~ (*and*) simple response to the forces of the environment; but each must be found at its own time and in its own context.

Characteristics of yellow organizations

- ◆ Less formal and structured, more pluralistic and active with multiple interlinks to produce synergy through diversity.
- ◆ Business, play, social events, and family are all combined interactively in a whole-brain experience of being, not having or even doing.
- ◆ Out of boxes, silos, categories, and ranks and into fields, flow-states, knowledge contours, and cybernetic loops.
- ◆ More connections among materials, information, products, suppliers, value-adders, and customers, so the organization is a transition zone within a network rather than a stair step in the production sequence.
- ◆ Intelligences within the human/technological interface with feedback and feed-forward, continual systemic adaptation.
- ◆ A meshing of systems within systems, flows within flows, all consciously shaped to fit naturally within the holistic milieu.
- ◆ More independent thinking with appreciation of time and intangibles over material benefits of competitiveness.
- ◆ Greater flexibility to connect to multiple groups and situations in a "Plug-in, Plug-out" sequence of events.
- ◆ More variety of life and working styles with pieces of many different job functions spread in many geographic areas.
- ◆ From flextime to any time; formal work place to my place; having a regular job to working independently.
- ◆ Less loyalty to organization or working group, more to the function and profession as related to the individual's life.
- ◆ Open to many jobs and careers, not focused on a single track.
- ◆ More emphasis on social causes and issues at both local and global levels as principles take precedence over rules.
- ◆ Multidimensional interests and expectation of opportunity to exercise mind, spirit, and body simultaneously.
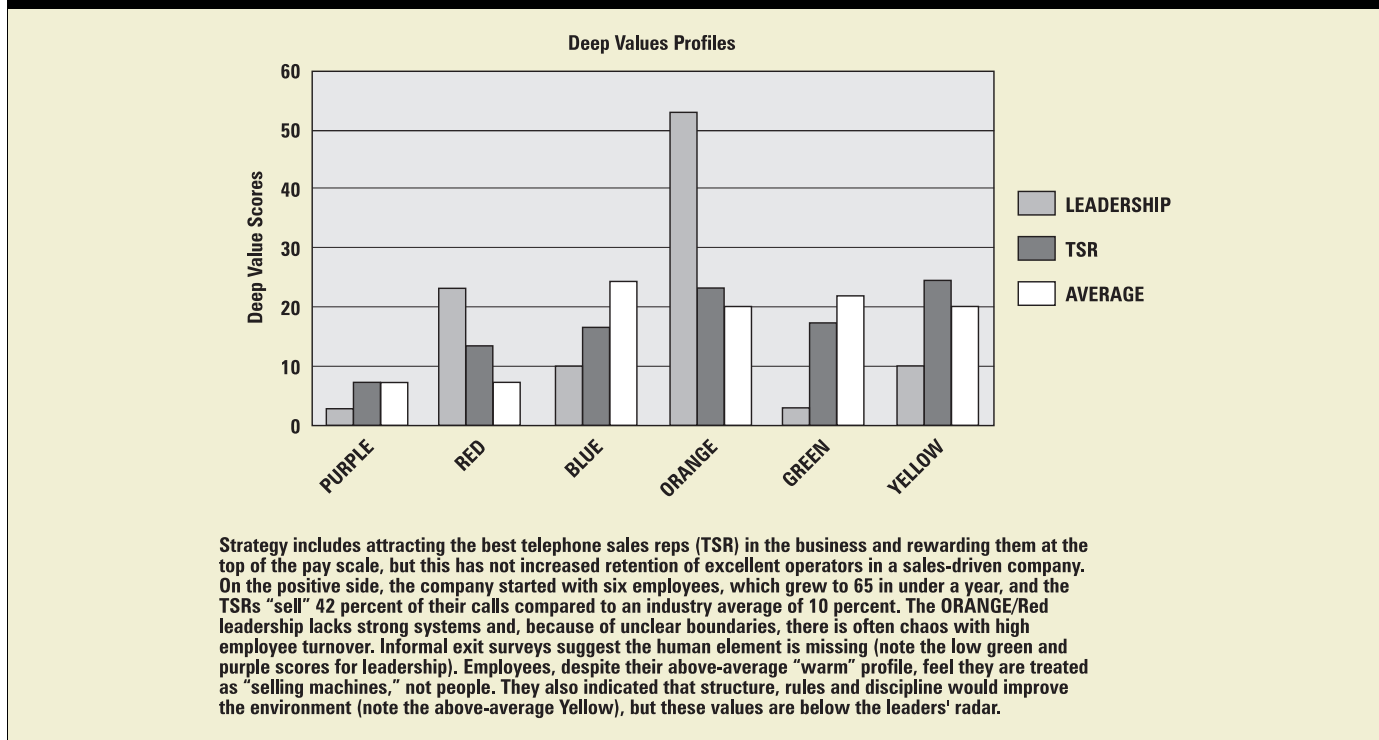

Understanding deep values^{Yellow} is essential to strategy and leadership in building next-generation business. It is becoming the routine way of thinking for this generation of workers, not the next generation. In some places, green is already fading as the greater complexity and explanatory power of yellow thinking takes over.

The world of strategy and leadership is changing because deep values are on the move. While new systems turn on, there is also return to orange and blue, even red and purple, because they are appropriate in some places. Progressive strategic thinking includes green and builds yellow into the deep corporate mindset, not just glib surface values statements.

The spiral does not end with yellow by any means. The emergent process is open-ended. After deep values^{Yellow}, the spiral turns back around to the cool, we-oriented colors. The eighth system, turquoise, is the second whole-spiral way of thinking. The exit from yellow arises with awareness that the individual can and should contribute to this interconnected living system with the necessary theme, "Sacrifice so that all life, not just my life, can continue." This is far beyond "the greater good" justification so common in orange or the benefits to "our extended community" in green. How strategy will work in turquoise, and how organizations

Values implicit in Mintzberg's strategy schools			
Strategy school	Surface values	Hidden values	Spriral dynamics deep values
Design	CEO designs the strategy Separate design from implementation One best way to make a strategy Thinking detached from acting	CEO is the architect of best strategy, structure follows strategy Action flows from reason Assumption of universality Environment can be understood and is predictable, therefore strategy made today will work tomorrow	BLUE ORANGE
Planning	Formal procedures, training, analysis Missionary zeal (THE WAY) Heavy financial analysis and control tools Preexisting categories, directives and checklists	Count on tried and true experience, predictable patterns and analysis Strategy is a structured, formal process Assemble parts as per blueprint	BLUE orange
Positioning (strategic management)	A best, generic strategy formulated at the top Strategy "boutiques" and strategic management Proactive in tone (Orange) but mostly deterministic (BLUE) in action Thinking detached from acting Portfolio of positions	Strategy is deductive and deliberate Market structure drives strategy Formal chain of command; orders are executed without question Types of strategies matched to conditions, therefore study of established strategies is important	Movement from BLUE/Orange to blue/ORANGE
Entrepreneurial	Based on personality of a brilliant leader Promotion of a single-minded vision "Where is the opportunity? How do I capitalize on it? How do I gain control over resources I need? Opportunity and growth driven	One gifted, intuitive, visionary leader – everyone else is a follower Vision, organization, strategy, and people are malleable Leader is driven by powerful need for achievement and independence	ORANGE
Cognitive	Strategy is a perspective Continuous testing, experimenting, learning, unlearning Map strategies' mental structures Work on understanding how competitors think	Organizations are comprehensible Cognition creates the world; many realities exist at once; perception is adjustable Strategy is an interpretation of the world, a concept that can be mapped Strategy is a mental process	ORANGE green
Learning	Take risks, question ideas, break rules Knowledge, the key to success, is accumulated by a learning organization Learning is not possible without acting Core competencies – multiple people and perspectives contribute to strategy and knowledge creation	There are many potential strategists in organizations because strategy is complex, knowledge bases are diffuse, and deliberate control is difficult Strategy depends on learning; learning depends on capabilities; therefore develop organizational capability to acquire, create, accumulate, and exploit knowledge	ORANGE
Political (power)	Process of influence shaped by power, ploys, positioning, politics and negotiation Exchanges, relationships, diverse interest groups, coalitions, competitors Maneuvering, networks and alliances to favor self-interests Acquire and protect holdings	Strategy is shaped by power and politics to manage diverse interests Gamesmanship – competing goals of individuals and coalitions ensure that strategy will be distorted, therefore maneuver as needed to stay on top and attain scarce resources and power	ORANGE (hard ball)
Cultural	Focused on human capital resources – capabilities in culture Strategy is the management of collective cognition – dominant logic, shared values Perpetulate ideology and shared meaning	Strategy is a perspective rooted in collective intensions, shared understandings/worldviews/beliefs Culture is the life force of the company acting as a perceptual filter that establishes peoples' choices and direction	blue/ORANGE/green
Environment	Strategy is a process of continuous adaptation to the environment Leadership reads the environment and ensures proper adaptation by the organization	The environment sets the agenda the organization is passive and reacts – natural selection The environment imperative rules Organizations have no real strategic choice, only to react The niche is always competitive	BLUE ORANGE
Configuration	Read the context variables before acting Select strategy for its appropriateness to times, place, problems, circumstances Evaluate complex interconnections	Sustain stability and adapt to change Many viable solutions exist together Strategies connect together; integration rather than particles Strategy can be matched to a time and situation Strategy follows structure, context, and behavior; order and chaos exist	ORANGE green yellow

Notes: Adapted from *Strategy Safari* by Mintzberg, Ahlstrand and Lampel, 1998
ALL CAPITALS = Dominant Worldview; small letters denote support or back-up value(s) system

Exhibit 3 — Call center case study

Deep Values Profiles

Strategy includes attracting the best telephone sales reps (TSR) in the business and rewarding them at the top of the pay scale, but this has not increased retention of excellent operators in a sales-driven company. On the positive side, the company started with six employees, which grew to 65 in under a year, and the TSRs "sell" 42 percent of their calls compared to an industry average of 10 percent. The ORANGE/Red leadership lacks strong systems and, because of unclear boundaries, there is often chaos with high employee turnover. Informal exit surveys suggest the human element is missing (note the low green and purple scores for leadership). Employees, despite their above-average "warm" profile, feel they are treated as "selling machines," not people. They also indicated that structure, rules and discipline would improve the environment (note the above-average Yellow), but these values are below the leaders' radar.

will contribute in this zone are still being sorted out and are the subject for later work. For now, just getting the green and yellow into strategic thinking is a big step.

Conclusion

Strategy development is still concentrated mostly in the orange and blue zones. (See sidebar, "Values implicit in Mintzberg's strategy schools.") Green and yellow are far from mainstream. To help today's organizations reach tomorrow, strategists will need to recognize these coming shifts in deep values. Dr Graves gave the reason when he wrote:

> Thus, an adult lives in a potentially open system of needs, values, and aspirations, but he often settles into what approximates a closed system. When he is at any one level, he has only the behavioral degrees of freedom afforded him at that level. Therefore, he can respond positively only to managerial principles appropriate to that level, and he must respond negatively to principles of management which are not appropriate to the level. If certain conditions arise and he moves in the direction of another level he lives by another set of psychological principles, and he will react negatively to the way he was previously managed[5].

In this conception, employees, strategies, and organizations are "not something to be managed by a general set of managerial principles." Instead they should be led, and soon, by principles appropriate to the deep values already present and emerging, and that means more green and yellow.

Strategists and leaders are affected by the colored lenses of their own deep values glasses – we all are. They see what they can see, based on their own filters. To

serve strategy, all layers of values must be tracked across employee groups, companies, industries, governments, and societies – not just the surface marketing data and hidden cultural attitudes. (See case study in Exhibit 3.) The very nature of human nature is changing rapidly and the deep values are the bedrock of future conceptions of what life is about.

Organizations that want to prepare for their futures in a full-spiral world should engage in ongoing values audits to scan for significant shifts and changes, then respond as they occur. Never before have there been as many value systems active and prominent. Never before have both the risks and opportunities been as great. Meeting that future requires fluency with all values levels and with all deep value systems. ⬛

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