

Kogi

Introduction to the Competing Values Framework

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Competing Values Framework

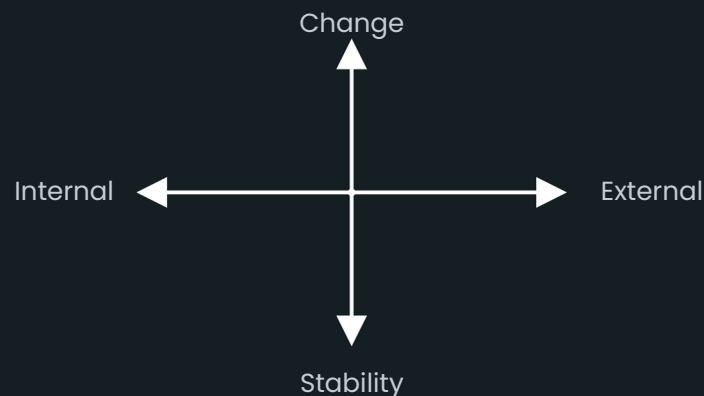
The Competing Values Framework was originally developed based on research conducted by faculty members at the University of Michigan on the major indicators of effective organizational performance.

It has proven to be a highly useful model for organizing and understanding a wide range of organizational and individual phenomena, including theories of organizational effectiveness, leadership competencies, organizational culture, organizational design, life-cycle development stages, organizational quality, leadership roles, financial strategy, information processing, and brain functioning. The robustness of this framework is one of its greatest strengths. In fact, it has been named one of the 40 most important frameworks in the history of business.

It emerged roughly 20 years ago from research into the criteria that predict whether an organization performs effectively. This research was followed by studies of organizational culture, leadership roles, managerial skills, and information-processing styles. Two main dimensions emerged from these empirical studies. One dimension distinguishes an emphasis on flexibility, discretion, and dynamism from an emphasis on stability, order, and control. For example, some organizations and managers are considered effective if they are adaptable, flexible, and transformational. Others are considered effective if they are stable, predictable, and consistent. This continuum ranges from versatility and pliability at one end to stability and durability at the other.

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The second dimension distinguishes an internal orientation focused on integration, collaboration, and unity from an external orientation focused on differentiation, competition, and rivalry. For example, some organizations and managers are considered effective if they have harmonious internal relationships and processes. Others are judged effective if they compete successfully against others and carve out a niche in the market. This continuum ranges from cohesion and harmony at one end to separation and independence at the other.



Since the original research was conducted, the same dimensions have been reproduced across a wide range of studies, from cognitive style to human development to philosophy. In other words, this framework has proven remarkably robust across diverse phenomena, and it describes the fundamental approaches to thinking, behavior, and organization associated with human activity.

Together, these dimensions form four quadrants, each representing a distinct set of organizational and individual factors. They determine, for example, the effectiveness criteria an organization must track, 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 opposing or competing assumptions. Each dimension emphasizes a core value that is the opposite of the value at the other end of the continuum — that is, change versus stability, internal versus external.

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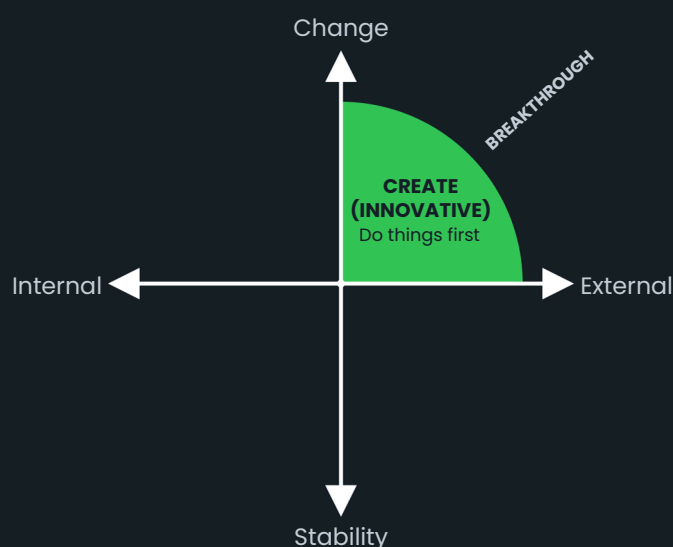
The dimensions thus create quadrants that are also opposed to or in competition with one another along the diagonal. The upper-left quadrant identifies values that emphasize an internal, organic focus, while the lower-right quadrant identifies values that emphasize an external, controlling focus. Similarly, the upper-right quadrant identifies values that emphasize an external, organic focus, while the lower-left quadrant emphasizes internal, controlling values. These competing, opposing values in each quadrant gave rise to the model's name: the Competing Values Framework.

At the University of Michigan, the Competing Values Framework is used to organize the approach to leadership and management development. Individual leadership competencies are developed and refined, for example, in the context of an organization's culture, its strategic competencies, financial strategies, pressing issues, and desired outcomes. All of these factors are measured using tools based on the Competing Values Framework, ensuring an integrated and consistent approach to developing and improving both individuals and organizations. The Framework's illustration provides a picture of the key values, leadership types, value drivers, approaches to change, and theories of effectiveness.

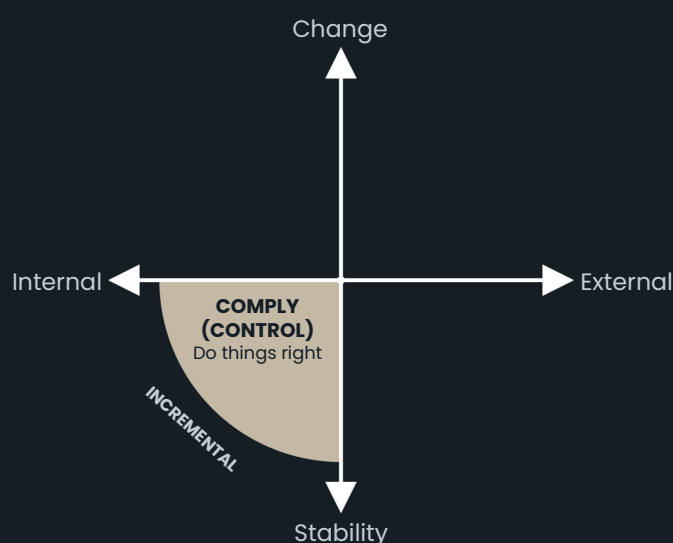
Leadership development and training programs often focus on the competencies and capabilities found in each of the Framework's four quadrants. The specific leadership tools and techniques emphasized for a given group of leaders are often shaped by the organization's own culture, its aspirations for change, the competencies of the top leadership team, or the feedback on data that individuals receive from various assessments

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

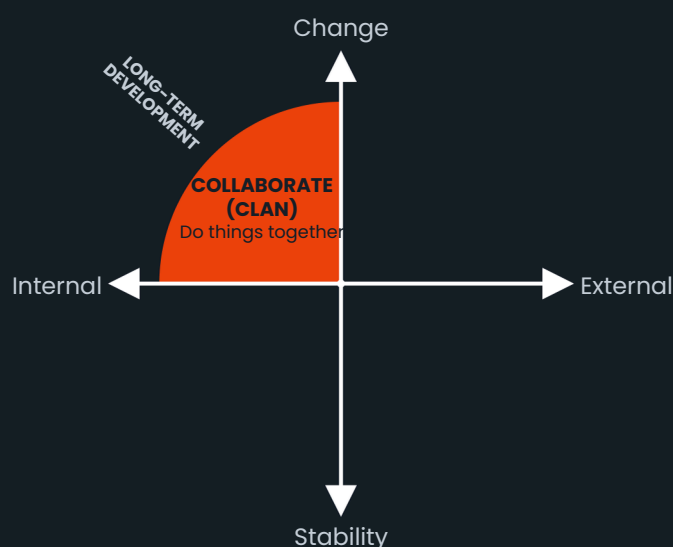


Conversely, tools or techniques focused on evaluation and measurement, process management, structuring, improving efficiency, or improving quality could be addressed in the lower-left quadrant.

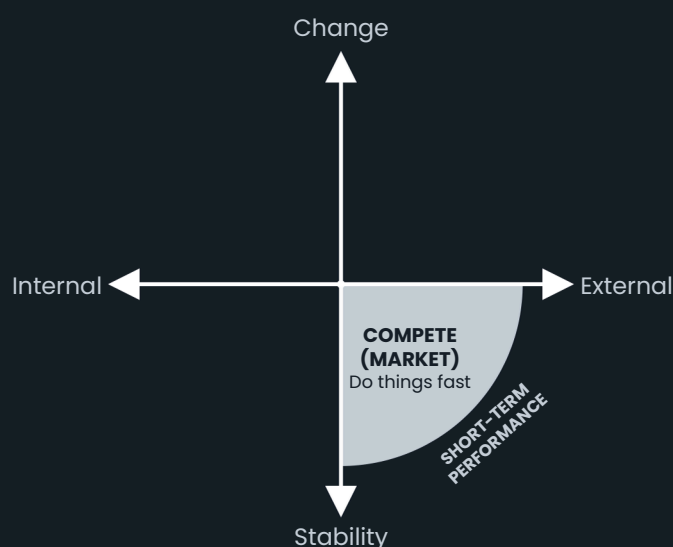


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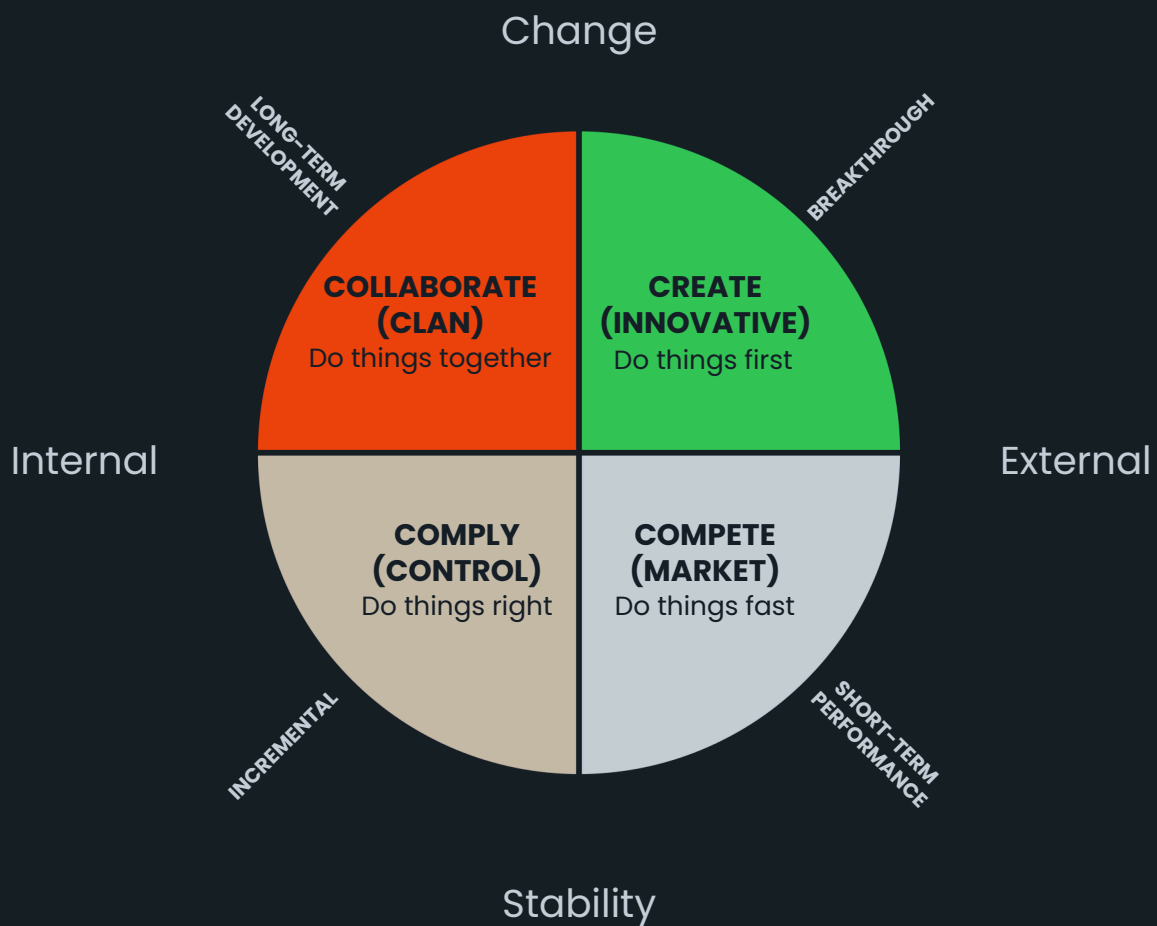
In the upper-left quadrant, for example, one might emphasize tools and techniques such as teamwork, collaboration, talent management, empowerment, or interpersonal relationships.



Opposite kinds of tools or techniques, such as competitiveness, rapid response, decisiveness, overcoming obstacles, or achieving goals, could be highlighted in the lower-right quadrant.



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For culture, leadership, effectiveness, and value drivers

Long-term change	Individuality Flexibility	New Change
Culture type: CLAN Orientation: COLLABORATE Leader type: Facilitator Mentor Team builder Commitment Core values: Communication Development Developing people and high commitment drive effectiveness. Effectiveness theory:	Culture type: INNOVATIVE Orientation: CREATE Leader type: Innovator Entrepreneur Visionary Core values: Innovative products Transformation Agility Effectiveness theory: Innovation, vision, and constant change drive effectiveness.	
Internal focus		External focus
Culture type: MANAGERIAL Orientation: CONTROL Leader type: Coordinator Observer Organizer Core values: Efficiency Timeliness Consistency & uniformity Management and performance driven by the right processes lead to effectiveness. Effectiveness theory:	Culture type: COMPETITIVE Orientation: COMPETE Leader type: Hard-driver Competitor Producer Core values: Market share Goal achievement Profitability Effectiveness theory: Aggressive competition and customer focus drive effectiveness.	
Stability control	Incremental change	Rapid change

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