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Friedrich Glauner

Values Cockpits

Measuring and Steering Corporate
Cultures

 Springer

CSR, Sustainability, Ethics & Governance

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Friedrich Glauner

Values Cockpits

Measuring and Steering Corporate Cultures

 Springer

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On Values Cockpits

In this intriguing book, Dr. Glauner not only asserts that building a coherent organizational culture deeply rooted in values is vital to long-lasting economic success but also presents a daring vision of how such a culture can be developed. He breaks new ground in suggesting that values can be managed quite as systematically as any other centrally important asset and complements his discussion with a number of fascinating in-depth interviews with corporate leaders whose firms are firmly values based.

John and Natty McArthur Professor
Harvard University
Cambridge, Mass
May 29th, 2017

Rebecca Henderson

Dr. Glauner’s work—Values Cockpits—is a deeply articulate, profoundly relevant explication of the role played by the *culture of commerce* in creating a sustainable relationship between humanity and the ecosystem that gives us life. Beyond mere theory, the work is rich with actionable tools, insights, and clear examples that bring into focus a vision for sustainable commerce—a vision set forth with urgency, clarity, and hope.

Founder, Gabriel Consulting Group, LLC
Chicago, IL
May 11th, 2017

Richard J Hill IV

Every organization aspires to be successful. But what causes some companies to be more successful than others, in an era of where Corporate Social Responsibility is embedded into the very core of corporate strategy? Values. Building trust and credibility is a hard thing to do but easy to lose, and this becomes even more crucial while studying business ethics. Friedrich Glauner’s book builds on this very

principle to outline the essence of “value creation” in a very interesting and profound approach. Offering some crisp, fresh ideas on creating values to develop a competitive advantage, the book is a compelling alternative to understanding the need and role of incorporating sustainable practices in corporate social responsibility (CSR). Revolving around the premise that CSR is management of a company’s impact on its stakeholders, the environment, and the community in which it operates, Glauner’s work is a first to confront conventional system of corporate culture in which values are often relegated to individual agents’ decision-making rather than embodying it as an integral part of corporate culture itself. The book begins by highlighting the philosophy of values and how it relates to sustainable practices and then discusses comprehensive frameworks for implementing such values before concluding with six revelatory interviews with practicing CEOs who discuss how the values cockpit turned out to be a powerful tool for analyzing and steering their businesses beyond expectations. What I found most intriguing about the book is the plethora of case studies intertwined in between the chapters that supplement the diverse ideas presented within. As an academician, I have come to establish Glauner’s work as a brilliant yet succinct guide to teach the significance of values development in sustainable business management.

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April 29th, 2017

Professor Dr. Haifeng Huang

Would You Do Business With Someone You Do Not Trust?

The depth of personal values and integrity of an organization's dominant individuals contributes significantly to the prevailing level of group values and integrity, with some cultures *promoting and facilitating* and others *hindering and prohibiting* the personal integrity of their people coming to the fore. *Intolerance* of low values by leaders of high personal integrity ensures wrongdoing is *not* condoned or repeated, while the *acceptance* of low values by lesser leaders ensures instances *are* permitted and hence more likely to be repeated by the culture prevalent within their organization.

This especially holds true when the culture is all about *winning* at the expense of others, when the *interests* of a small group are prioritized over the many, when those in charge believe they are right and everyone else wrong, perhaps more accustomed to telling than listening, when those who "*lay down the law*" believe they are above it, when *rules* are made which unnecessarily negatively impact on people's lives, when loyalty is misplaced, when a collective *pride* prevents apologies being offered or previous mistakes being acknowledged and rectified, when *covering up* is prioritized over *owning up*, when those who care sufficiently to *speak up* can be vilified, ostracized, and silenced rather than appreciated, applauded, and respected en route to a change in approach or compromise, and when the *trust* of other people is not the number one priority, rather something that can be put up for negotiation and hence like *reputation* risked, little can realistically be achieved other than just scratching the surface of a "*status quo*" culture which prioritizes and protects "*the way we have always done things*"?

For those skeptical about the importance of values, a simple question could be posed to them: "*would you do business with someone you do not trust?*" Trust is such a critically important commodity that it may only be sufficiently appreciated *after* it has been damaged or lost, which may transpire to be too little, too late. Not unlike everything else which has been lost, trust mislaid may never be found again. As with all things which have been damaged, trust may well be beyond repair. No matter what those tasked with its protection do or how hard they try, it may never be restored.

But how can we achieve or restore *trust*? How can we *change*, as both individuals and groups of people, to do more often what we know in our hearts we should be doing—but when most required, don't? Friedrich Glauner advises us in great detail how we can *do the right thing even when no one is looking*, thus laying the mysteriously invisible cultural foundation for unforeseen success. Change requires flexibility and adaptability, yet this seems to be beyond some people and organizations who lack the *imagination* to be aware of their changing environment and skill to adapt accordingly.

Many authors propose that an organization change its culture. Many advocate a return to quite noble and worthy values. Many recommend that integrity be more prevalent among leaders of business, organizations, and indeed society. All these authors should be applauded for doing so. Society needs such people to take a critical look at “the way things are done” and recommend that we all do better. But how many authors *also provide guidance* on how this can be achieved? One seldom sees practical advice on *HOW* strong values can be automatically practiced on a daily basis by all concerned. *Implementing* poses a far greater challenge than *advocating* more virtuous behavior. That is what makes Friedrich Glauner's approach to this remarkable book so refreshing. Too few people plying their trade in academic circles have already also done so in industry or in commercial organizations before they switched their attention to teaching and researching in lieu of managing and leading.

The language that business people recognize is often less theoretical and more practical. Stating the case for good behavior needs to be more than just taking exemplary decisions and engaging in astute actions for the sake of “being ethical.” Integrity opens doors which ethics closes. When business people are advised to be “more ethical,” many can tend to associate this with philosophical notions which too few see little role for in their organization. *Ethics* per se is too seldom discussed in boardrooms or meeting rooms or workplace restaurants and canteens.

But business people do understand *integrity*. They appreciate the importance of *trust*. They know if they are not *professional* their clients may go elsewhere. They are aware that if they lose their *reputation* they may also lose out business to their competitors and perhaps even go out of business. So words like Trust, Reputation, Integrity, and Professionalism (TRIP for short) do remind businesspeople that doing things right leads to longer term survival and success, even if this may require every now and then their *saying no* to something which seems more expedient in the short term but which could damage trust and reputation if exposed. Many leaders and managers know what they *should* be doing but don't know *how* to do it. They read about values. They know they are important. They have their own values. But they may not know how these can be inculcated in the minds of everyone who works for their organization. Who can they turn to for guidance?

Because Friedrich Glauner was an entrepreneur before he was an academic and a businessperson before he started writing about business, he understands the challenges that leaders and owner-managers face. As an academic he appreciates that many of his tremendous teaching peers lack the experience gained at the coalface of business so can admirably advocate the critical importance of values, but be less

sure how to advise they be *implemented* throughout an organization and be comfortably *inculcated* in the minds of its people. The *critical test* comes when managers or employees may be tempted or asked to do something which their personal values tells them may be *wrong*. When the organization has a *methodology* whereby people at all levels can raise their concerns and feel they will not only be listened to but also more likely to be acted on and responded to, everyone wins and people go home comfortable and sleep well. They look forward to coming in to work the next day and are more likely to perform their best. But when the organization lacks a methodology to try and steer the ship when it encounters stormy waters, its people may become seasick, be uninspired, and underperform. The ship risks being holed below the water line, constantly fighting integrity challenges, and ultimately sinks to the bottom.

The tool of the Values Cockpit developed by Friedrich Glauner has the potential to become the tool of choice for solving this practical task of aligning corporate values toward a conduct of business which will excel not only in financial terms but also result in a dynamic state of organizational excellence whereby corporate policies and practices *inspire* the crew and other “stakeholders” to produce their best and inculcate a culture of *doing the right thing*, thereby securing what Glauner calls *the basis of true corporate future viability*. Thus, his book is taking the seminal findings of Jim Collins on building great companies a step further. As Collins advised us in *Good to Great*:

“...leaders who ‘build enduring greatness through a paradoxical blend of personal humility and professional will’ also ‘channel their ego needs away from themselves and into the larger goal of building a great company. It’s not that [these] leaders have no ego or self-interest. Indeed they are incredibly ambitious, but their ambition is first and foremost for the institution, not themselves. . .”

While *excessively competitive* leaders who may lack the vision and insight required to recognize that their personal values may actually be damaging to the organization will indeed be less likely to read let alone benefit from a book such as this, those who favor *cooperation and collaboration*, tact and patience over retaliation and retribution, inclusion over exclusion, humility over pride, and honesty over dishonesty will be more likely to benefit from the practical wisdom suggested by Friedrich Glauner. For them “Values Cockpits” may well also prove to be a groundbreaker, as it delivers what Jim Collins’ influential book may lack: a step-by-step analysis and recipe on how to implement, measure, and steer a corporate culture embodying trust and excellence in a realistic and achievable manner.

Leaders with the foresight to concur with Glauner’s opinion that *sustainable values lay the foundation for entrepreneurial excellence* will appreciate that he has done far more than advocate the importance of values as he combines his own entrepreneurial background and teutonic logic to propose many practical and creative suggestions, inspiring them to have the courage to take not just the easier to implement but also more challenging decisions. They will find that the values advice and template Glauner provides in this unique “Values Cockpits” book may well not only prove to be a cornerstone cementing business survival and a bedrock

for growth but may actually equip captains of industry and other leaders with the insight required to pilot their organization on its own long-haul flight, avoiding unnecessary turbulence while gradually and simultaneously transforming it on the arduous journey from being merely good to inspirationally great.

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February 2017

Julian Clark

Reality Proves Possibility

The multiple crises which humankind faces at the dawn of the twenty-first century—the deleterious effects of climate change, consumption of scarce natural resources at rates incommensurable with environmental and intergenerational sustainability, growing social and economic inequality, and a waning public trust in business and managerial capabilities—share a common denominator: an economic system with only marginal regard for human values and virtues. The patent disregard for moral norms in business appears to be less an outcome and much more a cause of the present disruptions and system failures. By removing the concern for the weal and woe of human life from the center of economic thinking and having thus ostracized ethical considerations to the margins of business practice, past management education has been part and parcel of the social and ecological problems to which present management generations must now find solutions: Have we not long since been told that managers are but the executors of the will of sovereign customers, coerced to follow whichever market whims or else see their businesses eliminated in a relentless corporate struggle for survival? Are not then and therefore managers powerless against the implicit obligation to maximize profits and thus forever beholden to give ethics only marginal, if any, consideration in their wheeling and dealing?

Friedrich Glauner's book admirably rejects this fatalist interpretation of the immoral might of markets and replaces it with a counter-narrative of why and how companies can be part of the solution rather than part of the problem. He reminds us that values are central for the durability of business and that instead of hampering profits, they can very well facilitate corporate success. Far from being an outside imposition on managerial freedom, the drive for more corporate responsibility through circumspect values management, he holds, is much rather an expression of sound business strategy. Thus, Friedrich Glauner moves the debate from the sterile question as to *whether* profits and principles can be reconciled to the much more fruitful consideration of *how* and through *which* values. I applaud this move.

The time is ripe for what Friedrich Glauner tries to accomplish: Reality proves possibility. Where theories hold that markets ruin morals and that principles must,

by necessity, yield to profits, reality proves itself as the most apt and able ally against ideology. If financial success is found where standard economics denies a viable business case altogether, then our conventional assumptions must be challenged. *Social entrepreneurs*, for instance, have proven themselves to be formidable exceptions to the rule of a “dog-eats-dog” scheme of business. By reversing traditional economic rationale and reforming its governing logic so as to address the social, ecological, and moral ailments of the present economic order firstly and pecuniary remuneration only secondly (and in line with their normative mandate), they have provided us with the intellectual cornerstone for a new edifice of economics built on the foundations of responsible freedom. Their business rationale and strategy rest upon an ideal, an intrinsic motivation that prioritizes the common good over financial profit.

Social entrepreneurs and their counterparts in conventional firms, so-called *social intrapreneurs*, have, contrary to conventional economic wisdom, proven that other forms of business, management, and economic activity are possible. They therefore provide the practical alternatives from which alternative theories of economics can take their cue. In order to realize the full potential of these options and the concomitant ability to diminish the man-made dilemmas of our times, we need to change the mental models that still guide economic activity and decision-making. Acknowledging the malleability of our economic world and the freedom to do things differently, we must seek to replace the emaciated models of the *homo oeconomicus* with the ample anthropology of the *conditio humana*.

Since moral motifs, just as material motivations, are drivers of human behavior, economic anthropology would be myopic were it not also informed by ethics. Values are simply an integral part of the human life world, and since businesses are but people working with people for people, values form an essential constituent of the very reality corporations have to manage. Managers therefore cannot choose to manage values or not; they can only choose to manage them poorly rather than well.

Yet here is the rub. In an increasingly interdependent world of multiple cultures, the managing of values is all but facile. Given the multicultural setup of contemporary business and the plurality of normative views espoused all over the world, how can the integration of ethical considerations into management theory be accomplished? How can the extremes of moral relativism on the one hand and an arbitrary dogmatization of certain norms on the other be avoided? Can there be a “humanistic consensus” in regard to human values and virtues? And, if so, wherein does the convergence of humanity’s norms consist?

The Swiss theologian Hans Küng promulgated the first comprehensive attempt at identifying unifying standards, values, ideals, and goals for all of humankind. His *Global Ethic Project* (“Projekt Weltethos”) is premised on two basic principles and four directives which are shared by all peoples of all cultural and religious traditions: (1) the Golden Rule of Reciprocity (“*Do unto others what you would have others do unto you*”), (2) the Principle of Humanity (that every human being must be treated humanely, not inhumanely), (3) nonviolence and respect for life, (4) solidarity and a just economic order, (5) tolerance and truthfulness, and (6) equal rights or partnership between men and women.

Despite the cultural and religious diversity in the world and the particularisms of each tradition, these basic ethical elements have surfaced time and again. One can find the tenets of a global ethic expressed in the analects of Confucius, written five centuries before Christ, in the teachings of Patañjali, the compiler of the Yoga Sutras in the Buddhist canon, as well as in the scriptures of the three monotheistic traditions: the Hebrew Bible, the New Testament, and the Quran. While it is important to note that particular cultural determinants and historical constellations (such as a specific place or time) have favored prioritization and implementation (or conscious suppression) of certain ethical norms under given circumstances, history has indeed proven that people of all traditions, faiths, cultures, and nations, across both continents and centuries, can and have agreed upon these essential ethical elements. This holds true both for believers and nonbelievers. The notion of a global ethic is thus, in fact, a transcultural “universal” of humanity. As such, it can also and especially serve as a normative focal point in societies with strong affinities for democratic participation, pluralism, and multicultural lifestyles. For corporations with worldwide stakeholders, an orientation toward the core values of the global ethic project may thus serve as a welcome compass in order to navigate the troubled waters of an increasingly globalized world.

In sum, the globalization of business requires a globalization of business ethics. The globalization of business ethics necessitates in turn a globalization of the discourse about its guiding values. To this globalization of the ethics of business, Friedrich Glauner contributes versatile tools for the operationalization of value management. I congratulate him on this effort and hope that his book finds the reception that its underlying object and objective deserve.

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August 15, 2015
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Professor Dr. Claus Dirksmeier

How A “Values Cockpit” Will Enhance Ethical Values as a Part of Commercial Value Creation

The German Mittelstand gains its strength from a myriad of mostly family-owned businesses where dedication to industrial and service expertise is linked to a strong case for innovation. Many of their principal drivers, owners, opinion leaders, and executives do not feel at ease with the latest developments following the huge financial and economical crisis in 2009. Although banks continue to be important for many of them, mistrust toward financial institutions is a common attitude among them. Too strong are the memories of mid-sized companies going bankrupt in that crisis, partly due to a sudden shift in banking behavior. Some commented sarcastically that the counterpoint of huge banks with their “too big to fail” smugness is the sad reality of Mittelstand enterprises “too small to be remembered.”

In the meantime, the search for new paths of thinking in the field of academic economy, both for overcoming inequality and for restoring peace between “economy” and “society,” has gained momentum. Whereas the term of “value” in the neoliberal context was clearly linked to economic performance, e.g., in the notion of “economic value added” (EVA), there is now a resurgent interest in ethical “values” which might or should be the founding principles of the economy. The idea of the “homo oeconomicus” has become controversial. Emotions and behavioral economics have arrived as a new area of academic interest. In Central Europe, several institutions and think tanks proposed a new “economic anthropology,” e.g., at a joint conference (2013) of the Hannover Institute of Philosophy, the World Ethos Institute of Tübingen, and the Institute of Social Strategy, Berlin and Laichingen. The idea behind this was a call for a more pragmatic insight into economic behavior which combines rational self-interest and the search for sense, purpose, and social cohesion as drivers of human action even in the economy.

On the other hand, simple appeals to consider ethical values have not proven very efficient during the last few centuries. If we were to go from appeal to action, ethical values should be part of management input, of controlling efforts, and of measurement tools. Otherwise, they should be considered as no more than business poetry, as a mythological promise of a better world which does not really exist beyond the goodwill of some actors.

Friedrich Glauner, the author of this book, makes the valuable effort to explain the value of values in the context of operational management, proposing the idea of a “values cockpit” in the sense of a new controlling instrument.

The dynamics of values in a company, the systemic management of values starting from the top of the pyramid, as well as the implication of value strategies and value conflicts in a company show comprehensively that each corporation can be seen as a value world of its own, with its specific value architecture or value landscape. Not surprisingly at all, such ethical value landscapes take part in economic value creation. They shape employer attractiveness, corporate credibility in the perception of clients, and, generally, the reputation of any enterprise. It is only fair enough that risk management at large corporations, as monitored by large auditing units, counts “reputational risks” among the most important factors in their risk maps.

Values, however, go beyond social perceptions. In the best of cases, they reflect the conviction of all employees. They are not at all static but rather subject to a complex and dynamic process of interpretation, reinterpretation, and reinvention. The author of this book shows that excellence in management comprises excellence in the comprehension, the implementation, and the management of ethical values which are of importance for both the company and overall society.

There is, then, an enormously important connection between ethical values and business success. Even if we were too blind to see this yesterday, this book is an eye-opener for tomorrow. I highly recommend it and wish that it may find many convinced and ethically convincing readers!

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August 24, 2014

Ulrich Hemel

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Sustainable Values Are the Foundations of Entrepreneurial Excellence

Sustainable values are the foundations of entrepreneurial excellence. That is the message of Friedrich Glauner, for which he gives exceptionally convincing proof in this book. For practitioners, what he describes so well in these pages often needs decades of experience, determination, the belief in good ideas, trust in one's employees, and a good dose of courage to try something new. Sustainable values are not the birthright of all businesses. They depend strongly on the history of the company and on the people in charge and the people on the ground who live by these values day after day.

As the Managing Director of a successful medium-sized, family-owned enterprise—J. Schmalz GmbH—I have had the opportunity to actively experience and influence the fortunes of our business. The history of our company shows how important it is to have a set of dependable and binding values to guide and govern us. For our company's success, it has indeed been essential that these values are strong enough to stand up to the “eddies” of our markets and customers and have done so for decades. Schmalz was originally founded as a maker of razor blades in 1910. After 1945, Schmalz produced specialized transport and airport ground handling equipment, until I took over as Managing Partner in 1984 and decided to reinvent our business again—trusting completely in the great promise of a good idea and guided by the vision of a viable, sustainable, customer-oriented, and successful company. Today, Schmalz employs more than 1000 people and has become the world market leader for vacuum technology used in the automated and manual handling of goods in production. We are committed to sustainability: Commercial success, ecological awareness, and social responsibility cannot be separated from each other. Our values were and continue to be the compass for all of our actions.

Friedrich Glauner's work shows impressively and with direct relevance for us practitioners how companies can respond to the challenges of today and how important sustainable values are to that end. The values cockpit gives its readers

a coherent and comprehensive toolkit to help them prepare their companies for lasting success. In this sense, this book is an excellent manual for entrepreneurs everywhere.

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September 2016
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Dr. Kurt Schmalz

Values Safeguard Future

Values are not given the recognition they deserve for the role they play in safeguarding the future of businesses everywhere. The reason is simple: Values cannot be expressed in plain, transparent figures like many other deceptively “hard” facts. Values, the thinking often goes, are a superfluous, nice-to-have luxury, intangible soft skills that a company either has or does not have. In the cold, hard reality of business, they do nothing for a company’s success that can be found on its balance sheet.

Nothing could be further from the truth than considering values a mere decoration on a solid, tangible architecture of strategies, processes, and controlling. The truth is almost the opposite: When companies lack the right values, their economic substance and market standing might be eroding away from underneath them. Without the cardinal points of a sustainable system of values, companies will inevitably lose their footing further down the road.

A healthy culture of values contributes substantially to the success of any business.

Values help overcome crises. They underpin loyalty and motivation; they help employees and customers alike identify more strongly with companies. Businesses that have committed explicitly, consistently, and with no regard for hierarchical boundaries to establishing and enforcing a set of values and that manage to get all of their people on board will become more resilient and able to renew and reinvent themselves. When they enact and display their values in everyday practice, among managers, employees, customers, or suppliers, they distinguish themselves from their competitors. Brands can also become unmistakable when the companies behind them express a commitment to their values as part of them. Values are most definitely not a vain luxury but indeed the very substance with which companies can navigate the oft-turbulent waters of the economy.

We have long had to do without a comprehensive survey of the role that values play for and in companies and an introduction to working meaningfully with such values. Friedrich Glauner has finally stepped into the breach: His book reveals how all human actions and all commercial processes in any part of any business are

inherently bound to and by values. With his pragmatic expertise and interdisciplinary insights, Friedrich Glauner draws on the teachings of philosophy, economics, psychology, and sociology to show how values work on people and organizations and how they steer human and organizational behavior.

Friedrich Glauner treads new ground when he explores how values can be managed rationally in business. With his background as an entrepreneur himself, he has developed a unique and unbiased toolkit for developing and maintaining values and a value-oriented culture for the long term. His idea of the values cockpit represents a completely novel instrument that can align values in all operational and strategic processes via the transparent implementation of very specific monitoring and management systems. The book offers a succinct introduction to the key levers that explain how certain companies have managed and still manage to remain exceptionally successful over long periods of time. This makes the book a new creed and practical manual for a new type of entrepreneur who realizes that exceptional success is not opposed to but indeed caused by a sustainable sense of responsible enterprise. By creating value on a higher order, such enterprise can help reconcile the economic, ecological, ethical, and social interests of all stakeholders involved.

Friedrich Glauner supports his insights with an analysis of the values of several owner-managed, often family-owned companies. At many of these, the values in question have evolved from an original “family” system that left an indelible mark on the company’s eventual culture. This book shows the great advantages but also the risks of being bound to values in this manner; it reveals how the values can be the basis for lasting viability in business, and it tracks how values affect and shape corporate cultures, sustainability, and commercial success over time.

Glauner’s selection of six case studies shows how the theory expounded in this book can be used and has already been used to great effect in practice, at companies with very unique cultures. This includes insightful conversations with the founders or managers of these companies. These interviews represent an invaluable record of how all of the interviewed entrepreneurs have come to consider the consistent development and management of their company’s cultures as one of their central value creation processes.

By letting these interviews link back and engage with the theory, the book shows how other companies can also try to follow suit. In essence, Friedrich Glauner shows all companies a way forward toward a corporate culture that can match their chosen goals.

I hope this book will make its way onto the desks of all responsible executives, as a source for advice and inspiration and a map to guide them on their journey.

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Professor Dr. Arnold Weissman

Values Matter

This book places the instrument of the values cockpit into the greater context of the lasting viability of businesses, entire economies, and society at large. This not only underlines the relevance of values management. On a more pragmatic side, it also specifies the function of values on the operational side of strategy, human resources, and organizational development. The book therefore works on two levels: It shows how companies can use the values cockpit to make their organizations more competitive, and it scans the bigger picture of how enterprise can help master the global problems we are facing. The book is not intended as just another manual for improving competitiveness. It tries to be an answer to the question of how we can safeguard our future with self-sustaining, responsible enterprise.

With this in mind, this book has to be read as the practical counterpart to my book “Future Viability, Business Models, and Values” (Glauner 2016a). In it, I analyzed our mental models of economy and business conduct to explain why our economic structures are collapsing under their very success, due to the fact that our individually rational and in themselves highly successful economic behaviors lead, on the group level and the level of the whole system, to outcomes which, by and large, are highly destructive. It also revealed that the way out must rest on a radical shift in the paradigms of our economic thinking and business management, moving to the paradigm of ethicology. This book now devotes itself to the micro-level of corporate value creation. Its essence comes in two parts: First, it explains in a step-by-step approach the theory and practice of why values creation is the core process of corporate value creation. Second, it shows how this process can be conducted in a way that will foster not only competitive advantages for the enterprise but also greatly leverage corporate results on all levels and in all aspects of running a corporation.

One of the foremost characteristics of enterprise is change. Change forces companies to constantly reinvent themselves and to stay both highly flexible and retain their unmistakable identity at the same time. Companies trying to survive and thrive in such a dynamic environment can turn to this book for advice on how to realign their management practices.

Several aspects of the arguments in this book have already been explored in other speeches, presentations, and publications (Glauner 2015a, b, c, d, 2016a, b, c, d, e, 2017a, b, c, d). They form part of a conversation that has been kept alive by the suggestions, contributions, and comments of many other voices. I need to thank all of them for their interest in the values cockpit, above all my colleagues at the Global Ethic Institute in Tübingen, Claus Dierksmeier, Christopher Gohl, Christoph Giesa, Katharina Hoegl, and Bernd Villhauer; the participants of my seminars at the Institute, at the University of the Bundeswehr in Munich, and at the University of Weihenstephan, especially Matthias Kunert; Andreas Knie, Ulrich Hemel, and the alumni of the Master of Ethical Management at the University of Eichstätt; my colleagues at the German Business Ethics Network (DNWE), in particular Kristin Vorbohle; the editors of the German and English “CSR . . .” publications, René Schmidpeter, Nick Capeldi, and Samuel Idowu; Gebke Mertens for our conversations, discussions, debates, and for her untiring editorial support; and all of the entrepreneurs whose positive examples have found their way into this book.

Grafenaschau and Tübingen, Germany
February 23, 2017

Friedrich Glauner

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Author's Foreword to the First German Edition

As a philosopher and, even more so, as a father of a son coming up to his 16th birthday and as an entrepreneur and manager, I often find myself faced with the question of how we can express or teach values. Specifically, this question concerns two problems: first, why do values make companies or people successful, and second, how are the conditions of human life and of business changing in view of the current challenges in our world? Three facts are relevant here. First, many companies work with markets that are more or less saturated for well-documented reasons, and they need to find ways to deal with this saturation. Second, companies with a real notion of their values have a lever to remain successful even in times of crisis and in contracting markets. Third, all truly successful companies have a strong corporate culture.

This brings me back to my original point. How can companies express values, and which values are the right values? These questions confront us with a double black box: The first is human conscience: We know that all human action is tied to and borne by values. We also know that we cannot look into people's hearts and minds. What informs a person's decisions remains unknown to us, as we often do not even know why we ourselves act in the way we do. Many of our actions are given sense only in hindsight. And that sense is normally not the real rationale that motivated our actions in the first place. When we are trying to work with values or instill a specific notion of values in other people, we always have blindfolds on. The second black box concerns the question of how "culture" functions in a company. How is a corporate culture formed, and how does it express the relevant values? Again, at first sight, we cannot see how that process could become manageable with clear rules.

In this book, I am trying to answer both questions. Specifically, I asked myself how the concept of "values" proposed by such diverse thinkers and writers as Jim Collins, Peter Senge, Richard Sennett, and Michael Porter can be managed rationally and operationally. As a philosopher, I am asking: "What affects ethically and economically sustainable practice in business?" As a business owner and economist, my question is: "How can I use values-oriented entrepreneurship to organize ethically and economically sustainable commercial success?" Both of

these questions translate into the core object of this book, the question: “How and with which instruments can this success be measured and managed according to clear criteria?” How can something so deceptively intangible and “soft” as values be injected, embedded, developed, managed, and monitored in something the hard reality of a business? And finally: Can values be managed in business without forcing one’s own notion of values—every person’s characteristic filter values—on them and becoming blind to any other concepts of values?

What then is the logic and grammar of values in people and in enterprises? How can it be put to practice in everyday work, that is, how can it be made a usable and productive tool? The instruments of the values cockpit will, I believe, offer pragmatic answers to these questions. This book is meant as a contribution to our understanding of how values can be managed in business and how an ethical and economically viable culture can be developed to get a competitive advantage that benefits everybody—the business and the society around it.

My idea of the values cockpit was born from experiences that I had personally as a business owner and that I heard about in my many dealings with other enterprises and entrepreneurs. Even if I am the author of this leadership instrument, this entire book owes a debt of gratitude to the many people who have acted as its midwives and wet nurses, with their example, the thoughts and insights they shared with me, and the constructive criticism they gave me. The first and foremost of these was my father, Carl Albert Glauner. From my earliest childhood to his passing away 28 years ago, he showed me every day what responsible enterprise can mean, how it works in practice, and how it can be the foundations and fuel of commercial success. This book is dedicated to his memory and to all the other entrepreneurs who have a similar view of business. These are, in particular, the entrepreneurs who agreed to be interviewed for this book: Professor Dr. Claus Hipp, Michael Hilti, Dr. Nicola Leibinger-Kammüller, Dr. Dieter Jung, Jeff Maisel, Erich Harsch, and Rudolf Schreiber. I want to thank them on behalf of us all for their example and for the trust and the insights they gave me. I also need to thank my wife, Gebke Mertens. Without her untiring advice and editorial support, this book would not have been possible. Finally, I owe thanks to Dr. Arnold Weissman and Rüdiger Ruoss, Christian von Bethmann, Dr. Henner Klein, Manfred Benzenberg, and Dr. René Schmidpeter for our many instructive debates.

I hope this book can do its part in making businesses more successful and our business processes more sustainable. Its ambitious mission is to contribute to a new way of management, as I am convinced that there is a future only for responsible entrepreneurship.

Grafenaschau, Germany
July 2013

Friedrich Glauner

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As this book is the practical mirror of the fundamental approach to the new paradigm of ethicology, i.e., the philosophical criticism on our present mental models of economy and business management which has been outlined in my book “Future Viability, Business Models, and Values,” I have to repeat the acknowledgements made there: No author can live off his own thoughts alone. He needs the confrontation with other minds, be it on paper or in flesh and blood. My whole thinking and writing is the product of countless conversations with people who have been so kind as to discuss with me the many aspects of how our mental models function and how they affect people and institutions alike.

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This book is dedicated to all who have shown us that there is a way to future viable business conduct and to all who want to follow their path.

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Friedrich Glauner

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