



Leadership and organizational culture based on sustainable innovational values: Portraying the case of the Global Alliance for Banking Based on Values (GABV)

Joao Batista Brillo de Carvalho

Jaap Boonstra



ESADE Working Papers Series

Available from ESADE Knowledge

Web: www.esadeknowledge.com

© ESADE

Avda. Pedralbes, 60-62

E-08034 Barcelona

Tel.: +34 93 280 61 62

ISSN 2014-8135

Depósito Legal: B-4761-1992

Leadership and organizational culture based on sustainable innovational values: Portraying the case of the Global Alliance for Banking Based on Values (GABV)

João Brillo, Visiting Professor, ESADE Future of the Work Unit
Professor of Management, Ibmecc Business School, Brazil
Jaap Boonstra, Professor of Organizational Dynamics Esade Business School,
Barcelona, Professor of Organizational Change & Leadership, Vienna
University of Economics and Business

Abstract

Leadership and organizational culture for innovation is becoming increasingly important in a constantly changing and transforming world full of technological, political and cultural transformations. Without sustainable innovation leaders and organizations are doomed to failure. The acceleration of changes shows inverted *coeteris paribus* conditions, where value-based management must remain constant while everything else change, as well as driving innovation values across the organization. The reasons for transformations are related to suitable change strategies and interventions for guiding the change process, which play an important role in shaping an innovative organizational culture. But how can leaders and organizations effectively transform themselves in turbulent environment and what are the critical success factors to promote and manage meaningful changes for creating an innovation culture? This paper deals with leadership and cultural change capabilities within organizations for aligning strategy development process to achieve sustainable innovation. We outline leadership and culture change models to convene strategic and cultural transformation focus on innovational values as an ongoing process. The case Global Alliance for Banking Based on Values (GABV) is presented as a great inspiration for stimulating and working with these values in the organization as well as an example in line with these models.

Keywords business idea for innovation, leadership and innovative organizational culture, sustainable innovation values, cultural change mindsets, values-based strategy map

Introduction

Innovation has become essential for the future of organizations, mainly their capability to share passionately innovational values within the organization to have high impact in strategies and culture change processes. But how leaders and organizations can strengthen creativity and stimulate innovation within organizations and with their external partners and customers?

Successful Leadership and cultural change for innovation are fully connected with value-based management, behavioral change and a vision of the future, in which leaders must talk about innovation and walk the genuine innovational path. Strategies and culture change for innovation are effective when organization really open up their innovation process with external partners and customers in the generation of creative ideas, concepts and prototypes, with a sincere collective feeling that things can be done differently, better, as well as developing organizational capabilities to sustainably deliver successful innovations.

This paper presents the Leadership and organizational culture on sustainable innovational values models, portraying the case of the Global Alliance for Banking Based on Values (GABV) for stimulating and working with these values in the organization. The case described is in line with these models, in which leaders and organizations effectively transform themselves in changing environment and outline how they may be used for incorporating strategic and organizational cultural for innovation.

We apply the Management by Sustainable Innovational Values, hereafter MBSIV, (Brillo, Dolan, and Kawamura, 2014), where sustainable innovation best occurs when organizational members are passionate about their work because they share emotional values in conjunction with economic values, and when these values are employed within the organization goals, mission, and strategic objectives, processes, and initiatives, and when the values are embedded within the organization culture. The Cultural Change for Innovation Model (Boonstra, 2016) an extension of Culture Change and Leadership in organizations (Boonstra, 2013) is also applied as change process for innovation to help leaders and organizations to develop strategic, political, transformational, appreciative, experimental, action, and reflexive mindsets, as well as critical capabilities to engage them in deep successfully organizational culture changes for renewal or innovation.

The case GABV is part of banking sector, one of the most internationalized services in our world, as we have experienced in the worldwide financial crisis. There is a societal and human need to transform our financial institutions in a more sustainable and value driven business, in which GABV is a network of banking leaders from around the world committed to advancing positive change in the banking sector. Founded in 2009, the GABV is a growing network, with

banks, banking cooperatives and credit unions, microfinance institutions and community development banks joining from many parts of the world. The collective goal of the alliance is to change the banking system so that it is more transparent, supports economic, social and environmental sustainability, and is composed of a diverse range of banking institutions serving the real economy. The Global Alliance comprises of 46 financial institutions and seven strategic partners operating in countries across Asia, Africa, Australia, Latin America, North America and Europe. Collectively the alliance serves more than 41 million customers, hold up to \$127 billion USD of combined assets under management, and is supported by more than 48,000 co-workers. In next topics of this paper we show the concepts applied in the GABV environment.

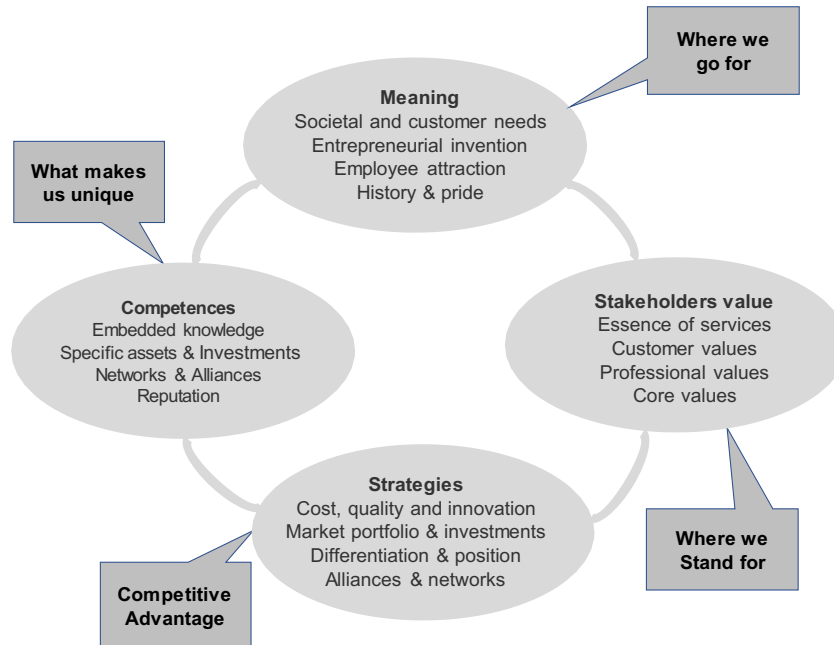
Organizational culture and business idea for innovation

Formulating a vision that an organization upholds and goes for is one way of working on continuity and renewal or innovation at the same time. Innovative enterprises are successful because they are able to create a balance between preserving the core and stimulating renewal (Collins & Porras, 1996). There are two key elements to a vision: a clear identity and an image of the future. The identity is relatively stable, while the business strategy develops continuously subject to the changes in the wishes of customers and the demands from the environment.

The competitive strength of businesses in the 21st century will depend mainly on the service level and the attention to experience and using creativity as an ability to make innovations possible in collaboration with other businesses (Van der Heijden, 2005). Businesses, social organizations and authorities have to deal with increasing demands from the environment and the pressure to perform and to innovate. This quickly raises the question of how a company can preserve its core, be able to distinguish itself, stimulate renewal and innovation.

In this value-driven perspective on culture for innovation, the earlier notions about organizational culture and innovation converge. It concerns the identity of an organization, the values and competencies, the market position, the customer value and the social meaning. In that connection, Van der Heijden (2005) talks about articulating the business idea. In effect, it concerns formulating the business idea of an organization. The business idea involves four connected points of view that together give shape to the creation of value for customers. Figure 1 presents a diagram of the business idea of an organization.

Figure 1. Business Idea for Innovation
(Adapted from Van der Heijden, 2005)



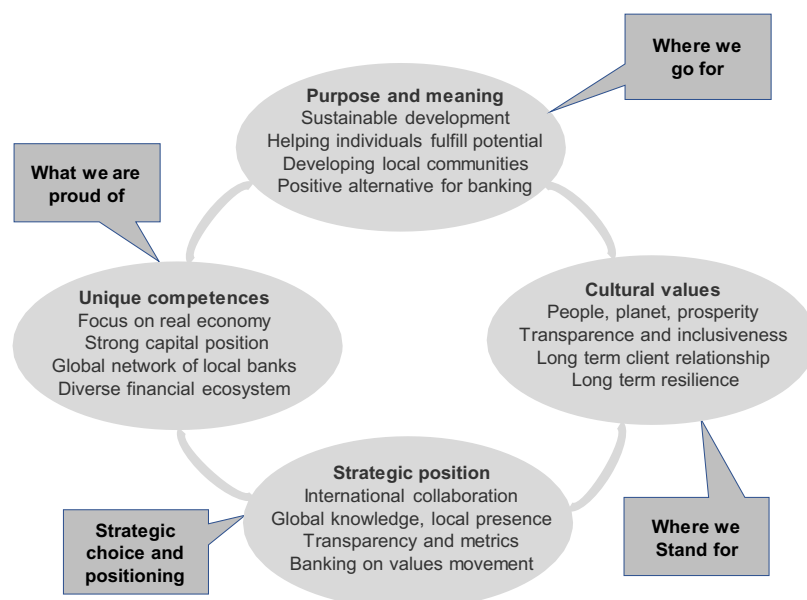
Working on the business idea is about how organizations can retain their individual character, put their core qualities into action to realize renewal and make themselves stand out by creating value for their customers. The organizational culture as a specific excuse for change disappears to the background. The key question is how a business wants to position itself and distinguish itself by creating value for customers. If the business tackles this, it involves a change that affects the identity and the meaning of the organization and in which a renewal or innovation of strategy, structure, systems and work processes goes hand in hand with a change of cultural values. In that case it involves a change in which an organization preserves its identity and stimulates and shapes innovations.

Companies that are successful in strategic and organizational culture for innovation are clear about what they stand by and what they are going for. Not a crisis, but a clear business idea mostly lies at the basis of the success concerning a culture of innovation in the organizations. It is therefore an essential condition of innovative culture in businesses. At least equally essential is a good customer definition and a clear picture of the customer value that the business wants to deliver. It is clear to all the businesses who their customers are, what the needs of these customers are and how they can be satisfied.

GABV business idea and guiding principles

The members of the GABV have one purpose in common: a shared mission to use finance to deliver sustainable economic, social and environmental development, with a focus on helping individuals fulfill their potential and build stronger communities. Figure 2 shows GABV's business idea as a core concept more in-depth and pay special attention to cultural values and guiding principles.

Figure 2. Business Idea GABV



Meaning

The members of the GABV are deeply connected to the people and the communities they serve and are accountable for the risks they both take and create for the people who use their products and services. This focus on inclusion puts basic banking products in service of a greater number of people, rather than highly sophisticated products in the hands of a few. The members are highly aware of the externalities produced by our banking activities by the projects and clients we finance. The GABV members want to ensure that banking is a healthy and productive system of society and develop a positive, viable alternative to the current banking system. Increasingly, people are becoming aware of the interdependence of the real economy, social cohesion and our natural ecosystem, something values-based bankers have long understood, and which is at the heart of the business idea. Knowing that people want to support positive change in society, the GABV see it as an opportunity to demonstrate a healthy transformation of the banking sector, contribute to societal solutions, and become reference point for others along the way.

Uniqueness

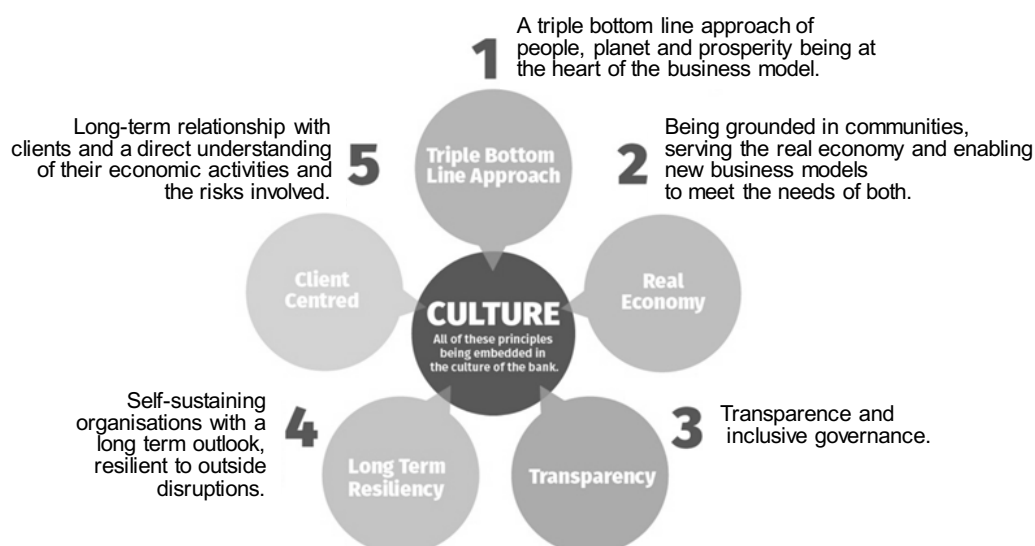
The GABV members have a strong belief in the value of the value-based banking model and recent research backs that up, showing that lending to the real economy delivers better financial returns when compared with the largest banks in the world. The GABV has demonstrated through their focus on the real economy, a strong capital positions, and steady financial returns, that the values-

based banking model provides a viable and needed alternative, adding strength to a diverse financial ecosystem. Another unique quality of the GABV is their strong global network of banks, which is rooted in the local economy using the strength of collaborative experiences worldwide.

Values and guiding principles

The glue of the GABV as an innovative alliance lies within their basic values and guiding principles like transparency, long-term resilience, investing in real economy and long-term client relationships. In the alliance local banks are globally collaborating based on shared principles and values. Corporate culture and management transparency are so relevant for the GABV that they have become core elements within six principles that they use to evaluate and promote values-based banking. Figure 3 provides a schematic presentation of the GABV cultural values and principles.

Figure 3. Cultural Values and Principles GABV



Principles

Principle 1 — Triple bottom line approach — Values-based banks integrate this approach by focusing simultaneously on people, planet and prosperity. Products and services are designed and developed to meet the needs of people and safeguard the environment. Generating reasonable profit is recognized as an essential requirement of values-based banking but is not a stand-alone objective. Importantly, values-based banks embrace an intentional approach to triple-bottom-line business, they don't just avoid doing harm, they actively use finance to do good.

Principle 2 — Real economy — Values-based banks serve the communities in which they work, serve the real economy and enable new business models to meet the needs of both. They meet the financial needs of these geographic and sector-based communities by financing enterprises and individuals in productive and sustainable economies.

Principle 3 — Transparent and inclusive governance — Values-based banks maintain a high degree of transparency and inclusiveness in governance and reporting. In this context, inclusiveness means an active relationship with a bank's extended stakeholder community, and not only its shareholders or management.

Principle 4 — Long-term, self-sustaining, and resilient — Values-based banks adopt a long-term perspective to make sure they can maintain their operations and be resilient in the face of external disruptions. At the same time, they recognize that no bank, or its clients, is entirely immune to such disruptions.

Principle 5 — Long-term relationships with clients — Values-based banks establish strong relationships with their clients and are directly involved in understanding and analyzing their economic activities and assisting them to become more values-based themselves. Proper risk analysis is used at product origination so that indirect risk management tools are neither adopted as a substitute for fundamental analysis nor traded for their own sake.

Principle 6 — Principles embedded in culture — In the center of the values is culture because the other values are depending on the attitudes of people and their way of working in the daily financial services offered to customers. Values-based banks seek to embed these principles in the culture of their institutions so that they are routinely used in decision-making at all levels. Recognizing that the process of embedding these values requires deliberate effort, these banks develop human resources policies that reflect their values-based approach (including innovative incentive and evaluation systems for staff) and develop stakeholder-oriented practices to encourage values-based business models. These banks also have specific reporting frameworks to demonstrate their financial and non- financial impact.

Positioning

The GABV is a growing movement that influences the way people doing business and creating a living. In Latin America GABV members are located in Bolivia, Ecuador, Peru, El Salvador, Paraguay. In our global world international collaboration in alliances is developing very fast. These alliances challenge existing business models based on innovative power rooted in local knowledge and worldwide expertise. As a global alliance the GABV operates both within and outside the banking system. This inspires the GABV to consider all stakeholders as bankers, including their customers. Whether you are a values-based bank or banking cooperative, a banking professional or organization interested in how to create more social, economic and environmental impact, a policy maker or regulator interested in bringing progressive change to the sector, or a member of the banking public, the GABV consider you as part of the growing, global #BankingOnValues movement.

The member banks seek to embed the six principles in the culture of their institutions so that they are routinely used in decision-making at all levels. Recognizing that the process of embedding these values requires deliberate effort, these banks develop human resources policies that reflect their values-

based approach and develop stakeholder-oriented practices to encourage sustainable business models. These banks also have specific evaluation systems and reporting frameworks to demonstrate their financial and non-financial impact. Based on the business idea the GABV can be seen as an innovative financial movement with a strong culture rooted basic values and guiding principles.

Organizational culture for innovation

Change in the GABV is a continuous play where bankers worldwide learn from each other's experiences and inspire each other. The concept of play is based on a challenging ambition to create a movement for value-based banking worldwide. Dialogue, learning and development are the used change strategies to grow as a global movement. The banks in the alliance create impact by interplay with entrepreneurs, sustainable businesses, micro finance institutions, customers and non-governmental organizations. Inside the alliance professionals use formats to play and share ideas with the use of communities of practice, learning cycles, regional chapters to exchange local experiments, development of new ideas and exchange of best practices.

At its heart, the GABV is a Chief Executive Officer network providing a unique space for collaboration for leaders who are committed to values-based banking. It also provides learning and development opportunities for senior executives, experts and banking professionals at member banks through their Communities of Practice (CoP). The GABV takes a leading role in the debate about how to build a sustainable financial future by managing joint projects among members, experts and partners to help deliver it and by advocating for change.

The GABV supports banks in the alliance with respect for their local presence. The alliance initiated SFRE, a venture capital fund that offers venture capital for value-based banks globally. It invests in the exchange of local experiments, the development of new ideas and supports learning from useful experiences and best practices. The alliance offers a leadership academy and online lectures and courses for value-based banking. The GABV has created communities of practice to develop knowledge and support. These Communities of Practice play an important role in the life and development of the GABV. They have opened the Alliance to member banks' subject matter experts and professionals, beyond CEOs. There are several communities of practice, for example:

- **Governing Board Forum:** to develop powerful insights into the unique approach to governance and leadership required to make values-based banks positive, proactive and profitable agents of social, economic and environmental change.
- **Human Development:** to connect HR experts from each bank, build foundational relationships, and facilitate in-depth sharing and open discussion about best practice in values-based banks.
- **Impact Metrics:** to play a key role in developing the GABV Scorecard, which has incredible value as a measuring and differentiating tool in assessing the qualitative and quantitative impact of values-based banking.

- Marketing & Communications to collaborate on the worlds' first #BankingOnValues Day, an internationally coordinated initiative that is helping to build visibility and appetite for the values-based banking movement globally.
- Risk & Control to work together and exchange knowledge to establish a common view on how to apply risk and control functions within a values-based banking environment by focusing on those characteristics that make this environment so special and more connected to the values-based singularities.

GABV members meet annually in-person to collaborate at regional levels. They strengthen connections and advance shared agendas to support the growth of the GABV and values-based banking in their geographic areas. The GABV Regional Chapters act as roundtables to provide knowledge and exchange perspective on issues to the larger CEO group, programs and Communities of Practice. Board members responsible for the region provide leadership of each chapter. These chapters are an additional infrastructure for dialogue, learning and developing.

The GABV use impact stories to give meaning to their business idea and support the exchange of good practices. Exploring real-life examples of the communities, organizations and initiatives positively impacted through the products, services and supports of values-based banks by reading the impact stories. Behind every bank in the Alliance there are millions of people and organizations using money to create positive economic, social and environmental impact. These stories share a profoundly different perspective on how banking can and should work. This approach to GABV storytelling was first launched at an exhibition during the GABV Annual Meeting 2013 in Berlin. The exhibition was accompanied with a book, *Change Makers – The Stories Behind the Values-based Banks Transforming the World*.

During the Annual Meeting 2017 in Kathmandu, a deeper approach to storytelling was launched with the publication of the Stories of Systemic Change. The stories can be found at the GABV website, <http://www.gabv.org/the-impact/our-bank-stories>.

The GABV is systemically analyzing data that compares the viability of values-based banking. In collaboration with independent financial institutions comparisons are made between values-based banks with global operating banks and financial institutions. The data builds a business case that proves organizations can make good money by putting money to good.

Leadership model for sustainable innovation

Different leadership styles are distinguished in leadership theory (Yukl, 2009). These different styles are summarized in the Figure 4 and related to leaders in organizational culture for innovation.

Figure 4. Forms of Leadership (adapted from Boonstra, 2013)

Entrepreneurial	Autocratic	Transactional	Charismatic	Participative	Transforming
Initiating	Goal setting	Goal setting	Impressing	Guiding	Sensing
Communicating	Commanding	Informing	Speaking	Listening	Sensemaking
Engaging	Intimidating	Managing	Building	Evaluating	Vitalizing
Appealing	Reacting	Performing	Achieving	Consulting	Envisioning
Cultivating	Realizing	Stabilizing	Modeling	Delegating	Supporting
Inspiring	Punishing	Rewarding	Monitoring	Developing	Appreciating
Demanding	Positioning	Controlling	Expecting	Encouraging	Empowering

Successful organizational culture for innovation in existing companies mainly concerns a combination of transformational and participative leadership. You can roughly say that leaders in cultural change within corporations are found on the right-hand side of the range. Innovation champions are usually charismatic with a high need of achievement that is related to transactional leadership. With starting enterprises, the founders form the culture of their company. They do that from a powerful motive and a clear vision. Starting entrepreneurs are their business and they form the culture that suits them.

The transformational and participative leadership styles are mainly suited to get a culture for innovation going for businesses that have been around for longer and have a robust culture. This does not mean that leaders in organizational culture for innovation do not use power. They certainly do, albeit sparingly and not from an autocratic attitude. Power is used to articulate problems, indicate boundaries, break through barriers, change players and make space for renewal or innovation.

In crisis situations in particular, top managers take control and say how things are and how they will be. Leaders in organizational culture for innovation do not aim, however, at increasing their own position of power. They do not work according to their position, but transformational, involving others in the cultural development. In essence, they make an effort to increase the ability of the community so it can give shape to its own future on its own and realize sustainable innovations. Innovative leaders initiating a startup have qualities of entrepreneurial leaders who start with an innovative idea. Leaders in innovative culture development in existing companies are charismatic, work transformational, give meaning and are authentic, presenting the following forms of leadership:

- **Entrepreneurial leadership** — Entrepreneurs want to start something new, something they believe in. They have a huge drive, a powerful motivation and a high need of achievement. With their dream they appeal others who share this dream and their vision for the future. This attitude makes them charismatic. Entrepreneurs look for people who fit in their dream and are willing to participate and support the initiative. They are founders of the business and create the organizational culture based on their values and drivers. Usually they are inspiring and demanding. Their action mindset is very strong and the strategic and transformational mindsets are well developed. They are able to develop disruptive innovations that may threaten existing businesses. Entrepreneurial leaders experience tensions when the organization is successful and start to grow. In a growing organization there is need for adaptation and coordination which needs another leadership style.
- **Transformational leadership** — Transformational leaders have a deep understanding of the fundamental values in our society and of the social and emotional needs of people. They are conscious of their environment and they are socially conscious. Transformational leaders are curious, explorative and have broad interests. They have a learning attitude and know themselves with their strong and their weak sides. They are capable of seeing connections between varying developments and understand what an incidental disruption to a work system is and what symptoms of fundamental change are. They are aware of the values and standards of a social system and recognize when those rules have to be modified. They listen to others and have the capability of trusting others and building trust. They are inspiring and they know how they have to operate administratively to solve conflicts and realize cultural changes (Kim & Mauborgne, 2005).
- **Charismatic leadership** — Meaningful leaders deliberately pay attention to specific cases and events. In crisis situations, they step forward to identify the situation and tackle it. They are explicit about what they believe is important, what they attach value to, and what they definitely do not want. Initiators in cultural change name events, share interpretations and invite others to share their vision. Through this they create space for dialogue and give meaning in that. In these interactions they form the culture of organizations together with others. They also tell stories and inspire others through that.
- **Participative leadership** — Participative leaders know what is important inside and outside the organization. They are conscious of their environment, have a social consciousness and are self-conscious. Through sensitivity to what is happening in the environment, they see new possibilities. They know what is happening in the organization and what people allow themselves to be controlled by. This enables them connect to the emotions and ambitions of others and they are able to direct the energy of the people in the organization to the future. They know who they are and they know their own motives. They are accessible and can be approached, ask others what they think, organize honest feedback and are not afraid to make emotions discussable. The leaders also know themselves with their strong and weak characteristics and know when to consult others to overcome their blind spots.

Innovative organizations invest in a leadership style that based on transformational, charismatic and participative leadership qualities. They guide young talents in new leaders by leadership programs, encouragement of new initiatives, trust in delegation, teamwork and collegial support.

Management by Sustainable Innovational Values (MBSIV)

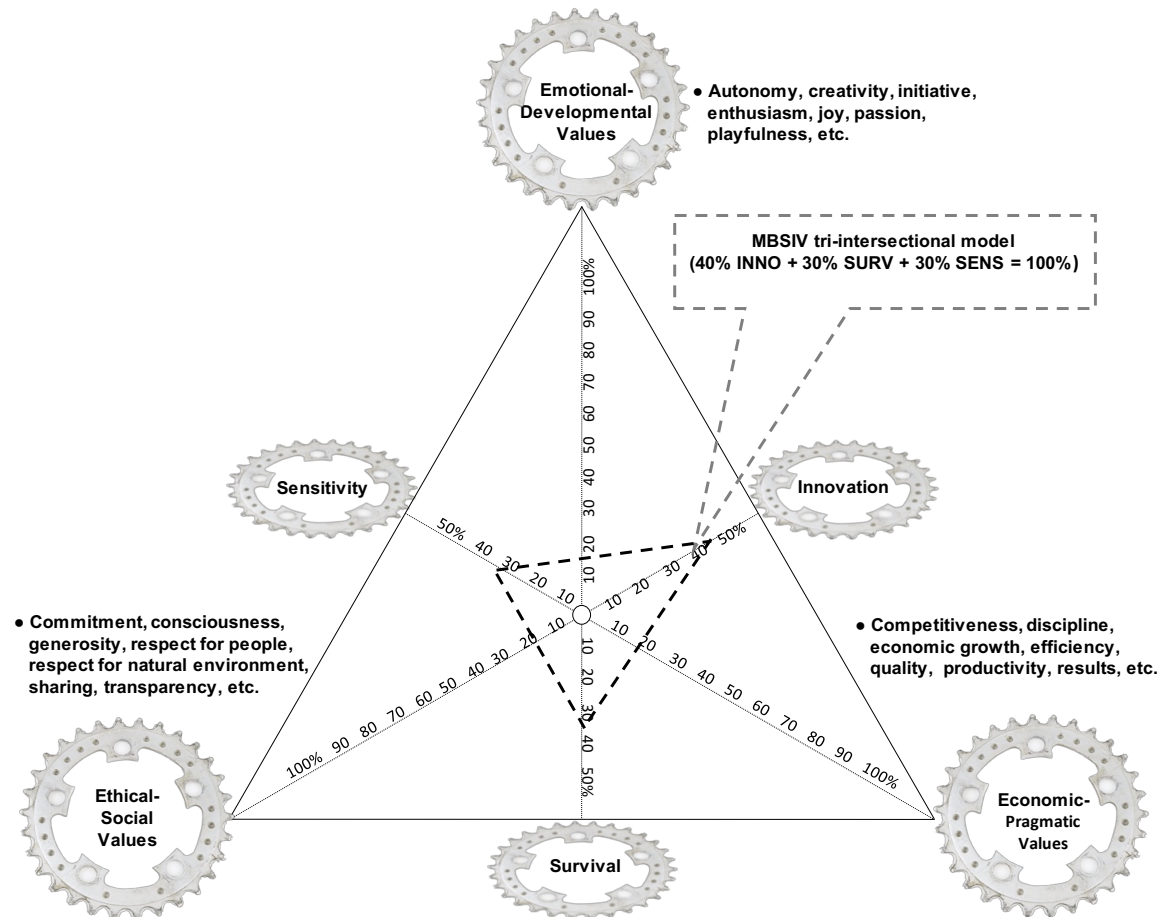
The Management by Sustainable Innovational Values model (Brillo, Dolan, and Kawamura, 2014) is an extension and elaboration of both the Management by Values (Dolan, Garcia, and Richley, 2006) and the Coaching by Values concepts (Dolan, 2011). MBSIV model have been fundamental to address complexity within organizations of the 21st century, strengthening organization's capabilities to develop a culture for innovation.

MBSIV is a tri-intersectional model an asymmetrical cultural reengineering tool that may be used as the foundation for developing organization culture (Brillo, Dolan, Kawamura, and Fernandez, 2015). MBSIV suggests that a firm's central values, goals, and strategic objectives be circumscribed within the triangle that is formed by the following three complementary yet orthogonal axes: Economic-Pragmatic, Ethical-Social, and Emotional-Developmental. Economic-Pragmatic values are a set of values related to the criteria of competitiveness, discipline, economic growth, and efficiency, among others. These values guide the planning, quality assurance, and accounting activities in organizations. They are necessary to maintain and unify various organizational subsystems. Ethical-Social values represent the way people behave in groups guided by ethical values shared by members of a particular group. These values come from conventions or beliefs about how people should behave in public, at work and in their relationships; they are associated with values such as commitment, consciousness, generosity, respect for people, etc. These values are manifested by actions more than words. Emotional-Developmental values are essential in creating new opportunities for action. These values are related to intrinsic motivation, which moves people to believe in a cause. Autonomy, creativity, enthusiasm, joy, passion, and playfulness are some examples of these values. Without these values, people would be unable to make organization commitments or be creative. Therefore, when designing an organizational culture for innovation, it is essential that people are able to do what they do different and best in their jobs.

MBSIV delineates a process for alignment and realignment of the three axes (economic-pragmatic, ethical-social, and emotional-developmental) at their intersection points, which allows leaders to focus on innovation linkage (40%)—intersection between the emotional-development axis and the economic-pragmatic axis—which allows them leading to great innovations, while keeping the sensitivity and survival linkages in an adequate level of 30%. Figure 5 shows the points of intersection between the 3Es: the intersection of the emotional-development axis and the economic-pragmatic axis leads to greater innovation; the economic-pragmatic axis and the social ethical intersection enhances survival (after all, when a big ethical or social scandal arises, the survival of the firm is at stake); and the intersection of the ethical-development axis with the emotional-

developmental axis increase sensitivity and makes the company more humane and more socially-responsible.

Figure 5. Management by Sustainable Innovational Values Model
(Brillo, Dolan, and Kawamura, 2014)



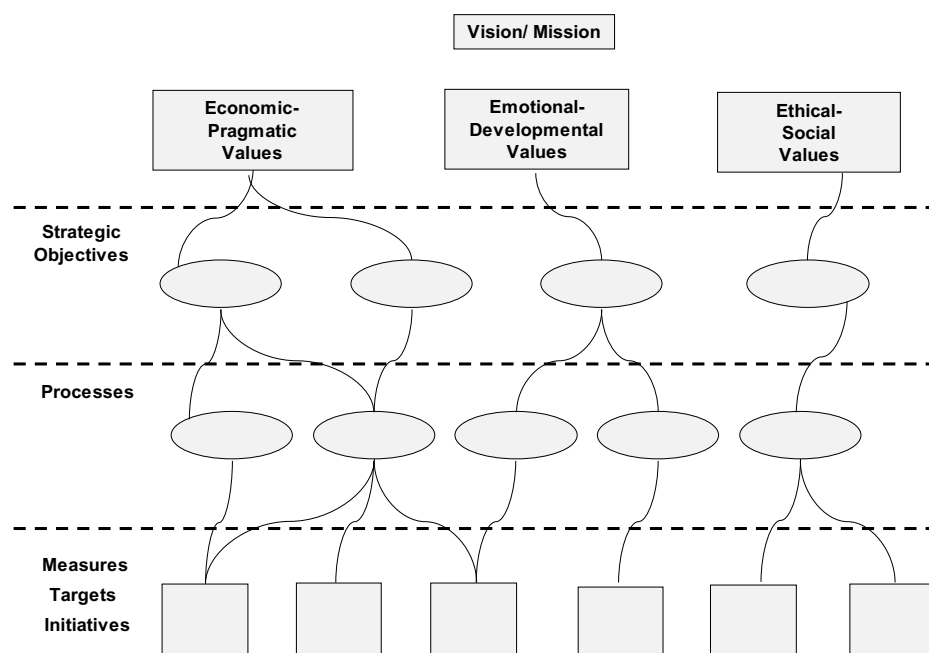
Values-based Strategy Map

The use of a strategy map templates, customized to organization's particular strategy, describe how intangibles assets drive performance enhancements to the organization's internal processes that have the maximum leverage for delivering value to customers, shareholders, and communities (Kaplan & Norton, 2004). It provides a framework to illustrate how strategy links intangibles assets to value-creating process. The architecture of cause and effect relationship linking the Financial Perspective—the outcomes of the strategy in traditional financial terms—, Customer Perspective—value proposition for the targeted customers, Internal Process Perspective—the critical few process that are expected to have greatest impact on the strategy—, and Learning and Growth Perspective—human, information, and organization capital required to support the value-creating internal process—, define the chain of logic by which intangible assets will be transformed to tangible values, generating sustainable innovation.

The measurement systems of causal models also shows the relationship of high-performance HR values drivers with human capital growth as well as firms high performance outcomes (Urich, Huselid, and Becker, 2001). The essential part of the HR scorecard is the strategy map for the management and measurement of the human capital, representing the company's value chain. The HR scorecard suggests three important things: manage HR as a strategic asset, demonstrate HR's contribution to company's financial success, and its total influence on high sustainable performance. More than a business performance measurement framework in the market place to build a list of measurements that are non-financial, HR scorecard has to tell the story of human capital integrated to the organization's strategy.

The Values-based Strategy Map presented in the Figure 6 provides a visual representation of how companies vision, mission, and values can be integrated. The sustainable innovation best occur when organizational members share a high degree of Economic-Pragmatic/Emotional-Development/Ethical values, when these values are employed within the firm's goals, mission, strategic objectives, processes, measures, targets, initiatives, and are effectively communicated and embedded within the organizational culture.

Figure 6. Values-Based Strategy Map (Brillo, Dolan and Kawamura, 2016)



The architecture of cause and effect relationship, customized to organization's particular strategy, linking the Values Perspective (the company's core economic, emotional, social values), Strategic Objectives Perspective (value proposition for the targeted the vision/mission), Processes Perspective (the critical processes that are expected to have greatest impact on the strategy), and Measures, Initiatives, and Targets Perspective (human, information, and organization capital required to support the value-creating processes), define the chain of logic by

which intangible assets will be transformed to tangible values, generating better communication and a effective culture for innovation.

GABV leadership forms, MBSIV model, and values-based strategic map

Leadership forms

Leadership in the GABV is based on charismatic, participative and transformational leadership. Building the alliance as a global movement needs a desirable future perspective. Charismatic leadership creates an appealing and valuable perspective that attracts new banks in the alliance and builds common ground to develop the alliance. This future perspective creates new possibilities to collaborate with knowledge institutes and offers the alliance a visible position in international interest groups like the World Economic Forum. Participative leadership is needed to engage the local banks in the alliance and invite them to share experiences and develop new business concepts. The GABV has an executive director and a support staff that is mainly focused on building the alliance by inviting members to engage in innovative business concepts and communities of practice to exchange these concepts.

Being a manager or professional in a GABV bank is quite a difficult task since it is not about making money but about being reasonably profitable in a people's centered organization in which long term orientation and respect are key values. This means that recruiting and promoting the right executives that combine experiences and technical knowledge with the right values and change capabilities, is one of the toughest challenges in the GABV network. The Communities of Practice and Chapters supports leaders and professionals to exchange ideas and learn from each other and to take a leading role in value-based banking.

The alliance offers a leadership academy and online courses for value-based banking. The GABV Leadership Academy is designed to help values-based bankers advance their leadership skills and capacity to help their respective banks address the challenges of our time. Over a period of 8 months, participants in the Academy convene for three, in-person modules, and participate in coaching sessions and projects between the modules. The curriculum of the GABV Leadership Academy includes: Introduction into values-based banking, Purpose and mission of GABV; Values-based Banking Models, Social Entrepreneurship, Client relationships in values-based banking Digitalization, FinTech & values, The Role of Art for Social Change, Role of Money in Society, Introduction into core concepts and tools on leadership, Theory U and Presencing, Economic Systems and Theory, From Ego-to Eco-System Economies Solo in nature, Your leadership intention Prototyping, Engagement with GABV CEOs, Models of Dialogue and Listening.

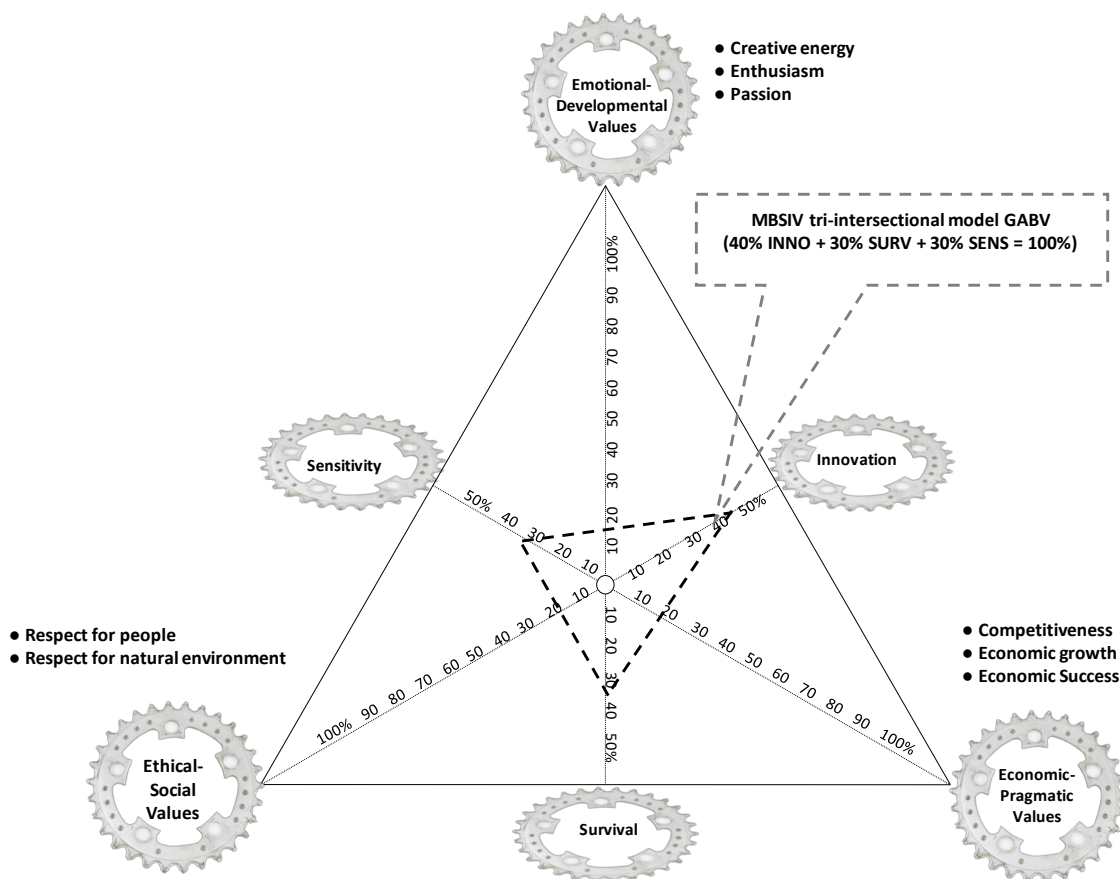
From the subjects above and the learning design it is clear that the learning process is based on several layers: developing and advancing own leadership capacity in the context of values-based banking, learning about and exploring a wide variety of values-based banking models, supporting financial and non-financial innovations, developing personal and cultural skills, practicing

innovation techniques and initiating individual change projects and exploring societal challenges and innovative solutions to address them.

MBSIV Model

Figure 7 shows the MBSIV model extracting the values from the GABV's principles and describes an alignment of the three axes: economic-pragmatic values—competitiveness, economic growth and economic success—, ethical-social values—respect of people, respect of natural environment—, emotional-developmental values—creative energy, enthusiasm and passion— at their intersection points, which allows GABV's leaders to focus on innovation linkage (40%)—intersection between the emotional-development axis and the economic-pragmatic axis—which allows them leading to sustainable innovations, while keeping the sensitivity and survival linkages in an adequate level of 30% increases sensitivity and makes the organization socially and environmental responsible.

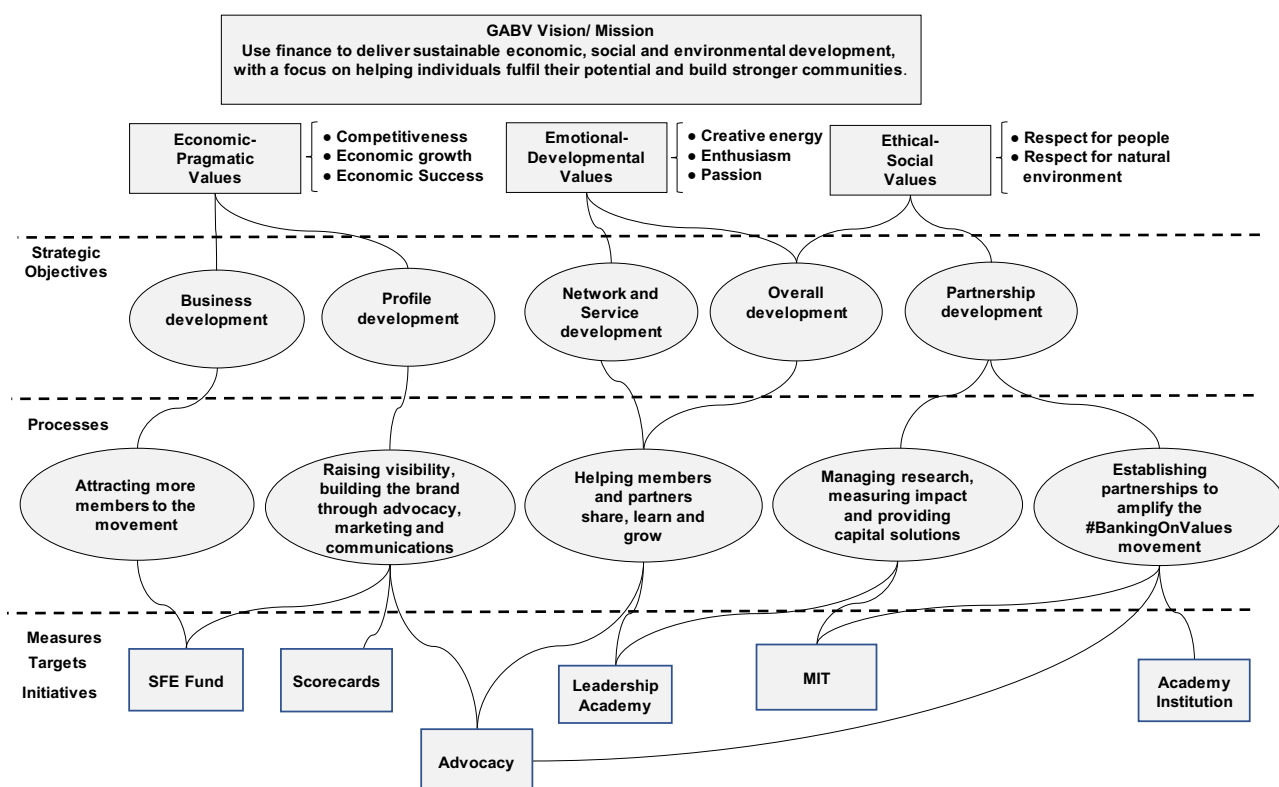
Figure 7. GABV's Management by Sustainable Innovational Values Model



Values-Based Strategy Map

The Values-Based Strategy Map in the GABV presented in the Figure 8 shows an architecture of cause and effect relationship linking the Organization vision, mission, values, processes and measure/ targets/ initiatives.

Figure 8. GABV's Values-Based Strategy Map



Strategic Objective: Business Development

Business Development grow membership and membership categories, while remaining credible, diverse and regionally representative. The GABV will also monitor and support members in expanding the quality and quantity of the economic, social, and environmental impact they support.

Process: Attracting more members to the movement

- **Full Members:** Expanding to 60-75 members by 2020 with sufficient representation from different continents, serving 70-100 million customers, and including mission-aligned banking-related holding companies (considered on a case-by-case basis).
- **Supporting Partners:** Developing a new category for those banks in transition to a values-based approach, based on compliance with the Principles of Sustainable Banking and Scorecard ratings.

Strategic Objective: Profile Development

Profile Development establish the GABV as 'the' reference point for values-based banking through a clearly defined: point of view (based on content developed around the banking model of member banks and their impact); key relationships; strategic partnerships; and public profile opportunities.

Process: raising visibility, building the brand through advocacy, marketing and communications

- **Advocacy and engagement:** Providing an alternative point of view to the current banking system and its role in society; Advocate for change to the banking system; Influence change in policy and regulation; Become a well-known and highly regarded vibrant network of banks and supporters influencing policymakers and regulators to develop a healthier banking system through trusted relationships with leading global actors e.g. World Bank and Asian Development Bank; Design Communities of Practice (CofP) as key forums for sharing, innovation and expertise within the Alliance to advance values-based banking.
- **Communication and marketing:** Developing a new category for those banks in transition to a values-based approach, based on compliance with the Principles of Sustainable Banking and Scorecard ratings; Build the values-based banking movement: internally within the Alliance and its co-workers, and externally with GABV partners and the interested public, by using earned, paid, owned and social media; Implementation of a channel management strategy for web, social media, events, and publications; the roll-out of a corporate identity refresh and guidelines to support co-branding with members and partners. The development of a media relations strategy. A next phase in the life of the GABV Marketing & Communications CofP.

Strategic Objective: Profile Development

Partnership Development help the GABV build relationship and collaborations with more external stakeholders in a more structured way. This in turn will build initiatives, innovations, and amplify the #BankingOnValues movement and the global GABV brand. In 2016 a new category of membership has been introduced to formally support this commitment

Process: establishing partnerships to amplify the #BankingOnValues movement

- **Support Partners:** Academic Institutions or Independent Research Agencies provide an alternative point of view to the current banking system; Networks in different fields whose core values are similar to those of the GABV; Development banks and other multilateral institutions; Consulting organisations and private companies whose core values are similar to those of the Alliance; Be supported in research and content generation activities; Better help banks transitioning to the values-based approach; Amplify the experience and impact of Alliance members through other networks and

alliances, not necessarily only in the banking field; Better identify and approach other values-based banks or transitioning banks in different parts of the world.

Strategic Objective: Network and Service Development

Network and Service Development focus on building the capacity of the GABV as a movement and as a network organisation, positioning the Alliance to transition from start-up to growth phase, and readying the GABV for a renewed focus on member/business development

Process: helping members share, learn and grow

- Service development: helping the Alliance improve operationally the day-to-day management of activities through administrative, infrastructure and process supports; Enhance the operational management of the Secretariat and Board of Directors, focusing on process mapping and procedural improvements; Implement an office management system, develop solutions, build processes, and implement improvements related to service providers, pipeline and query management, team management, Executive Director support, financial management and administration; Implement IT and infrastructure solutions to ensure efficient and cost-effective operations; Support the development of the CofPs for peer-to-peer exchange and use the forums to engage academic institutions for research purposes and in support of advocacy efforts; Grow additional GABV Regional Chapters where local issues and positions are addressed.
- Network: providing support for GABV members to connect, collaborate and create more impact; Inspiring GABV co-workers: Reminding them that they are part of something greater, something that can change the world, and how their passion and professionalism is fundamental; Being better values-based bankers by networking, sharing and learning from each other, and reflecting on work in an international context; Advancing the field of values-based banking by educating GABV members on the movement, the innovations, and the potential; Integrating performance plans for GABV co-workers relating to participating and supporting values-based banking activities; Inter-member secondments and fellowships; GABV-member secondments; Graduate three classes of the GABV Leadership Academy; Co-design the first open source online international training programme and offer it every year as a Massive Open Online Course (MOOC).

Strategic Objective: Overall Development

Overall Development focus on engagement through impact measurement and the development of a business case for values-based banking through: research and proof points; the Scorecard; and the creation of a knowledge-sharing platform to support CofPs, hubs and the growth of the values-based banking movement.

Process: managing research, measuring impact and providing capital solutions

- Overall development: Conducting annual research updates including new members, issues, and data; Launching a reasonably independent Scorecard for assessing banks relative to values-based banking and as a self-assessment tool for Executive Boards; Publishing annual results of Scorecards by all GABV members, SFRE Fund investees and other banks; Periodically publishing or cooperating in the publication of research papers or GABV position papers with a values-based focus; Creating a knowledge-sharing platform for GABV Member Banks, Partner Banks and Supporting Partners.

Measures, Targets, and Initiatives

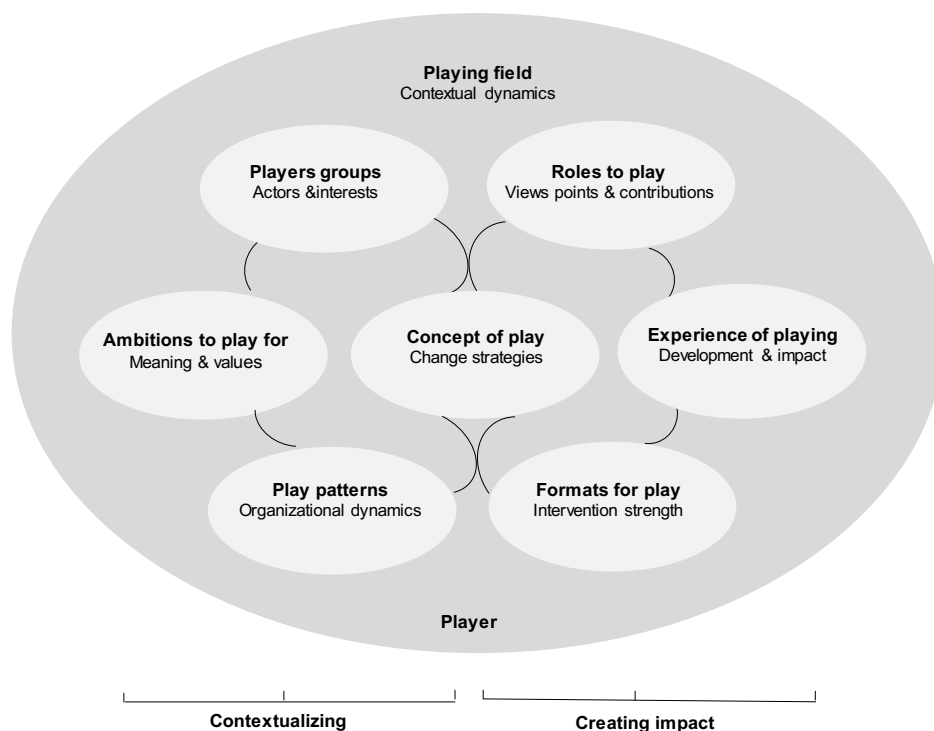
Over the years the Alliance has evolved from an incubator of ideals, concepts, initiatives, connections and partnerships, to a generator of sector and system positions, collaborations, operational alliances, and policy influencers. For example:

SFRE Fund, initiated by the GABV, is already a spin-off; Advocacy is growing from a local and regional perspective to national and international action; The Scorecard will launch network-wide in 2016 with the potential to become an industry standard; The Leadership Academy evolved from a Values Ambassador Community of Practice to an independent professionally accredited values-based banking leadership development program; The Massachusetts Institute of Technology Massive Open Online Courses, developed with input from the GABV, will change how banking professionals, policy makers, and the interested public view the possibilities for a different kind of banking system.

Cultural change model for sustainable innovation

Cultural change for innovation in organizations is not a goal in itself but is for the strategy and future of the business. This means that there is a continual dialogue with all parties involved about achieving cultural change for innovation. The best chance for successful change comes from giving meaning and value to the company, and to what the company wants to mean for customers and for society. Successful leadership in organizational change for innovation is connected with passion and a vision of the future and not with a formal position in the company. Everyone can play a role in successful change. Innovation champions bring people together with an inspirational vision and moving their organization to meet the future. Changes in organizations are mostly approached as a planned or programmed effort (Kotter, 2012). Concerning cultural change for innovation this planned approach is not fruitful. Innovation is like a journey through an unknown territory. It is a dynamic and continuous process that can't be planned (Boonstra, 2004). Figure 9 shows the metaphor for change as a playing game showed in may help to convene this ongoing process.

Figure 9. Organizational Change as Playing Game



On the *playing field* the essence is to explore the world, inquire what is going on and understand the dynamics that effects the organization as a collaborative effort of people who create meaning and contribute to customer value. In our global world with so many stakeholders and possible innovation partners it is needed to map the *player groups* in and around the organization that may foster or hinder innovations. The *ambition to play for* is based on the meaning and the values of the organization and related to the business idea of the organization. Exploring *play patterns* may help to understand organizational cultures and visible and concealed dynamics between players within the organization. Understanding play patterns help to realize changes in existing patterns and create space for renewal or innovation of the way we do things around here.

The perspectives on the playing field, the players, the ambitions and the game patterns offer a solid ground to develop the *concept of play* and to select a combination of change strategies that fits to context and situation. Choosing and combining change strategies is one of the most complex decisions to realize cultural change for innovation. In the *roles to play* players are enrolled and organized to contribute to the change process and make innovation possible. Recognizing people who need to be involved and creating co-creation between them support an innovative climate. *Formats to play* are about actions plans and interventions that engage people and support the change process.

Choosing and applying interventions are helpful in several steps in innovation from exploration to final business. The final game element is *experience of playing*, which is linked to feelings and emotions during the changes and successes of the change process.

Cultural change strategy for innovation

There is no single best way of changing organizations. Every time, it involves making conscious decisions about how to set up the concept of play by choosing and combining change strategies. Change starts with standing still. This not only means finding out the reason for the change and understanding the dynamics between the elements in the upstream and feelings and emotions in the undertow, but also thinking through a suitable change approach.

Theories about organizational change have described a number of strategies for change (Boonstra, 2004). In the Figure 10 these theories are used for describing six approaches for strategic and cultural change in uncertain situations.

Figure 10. Approaches for Cultural Change in Organizations
(Adapted from Boonstra, 2013)

Power and coercive change strategy	Negotiating and compromising change strategy	Rational and planned change strategy	Motivating and development change strategy	Learning and step-by-step change strategy	Dialogue and transformational change strategy
Forcing	Exchanging	Pushing	Developing	Learning	Discovering
Steering by top Goal oriented Position power Input controllers Linear process Pressure Telling & selling	Multiple actors Result oriented Position power Different coalitions Iterative process Negotiation Compromising	Initiated by top Solution oriented Expert power Input experts Linear process Rational persuasion Convincing	Transformative Problem oriented Informal power Input employees Iterative process Participation Guiding & coaching	Active & reflective Transition oriented Seductive power Input learning teams Cyclic process Action learning Facilitation	Active & interactive Future oriented Visioning power Collaboration Cyclic process Dialoguing Mutual interaction

In the power-coercive strategy, top managers create urgency from the threats from the environment to get people into action. The idea is that people are cautious and only want to change under external pressure. From this perspective conflicts and resistance to change are unavoidable and have to be overcome through the use of power. Top managers determine the goals and delegate the implementation to middle managers. Controllers monitor whether goals are reached and top managers intervene if that is not the case. Desired behavior is rewarded and behavior that is not appropriate to the new values and standards is punished.

The negotiating and compromising strategy concerns parties with different interests and wishes who need each other to realize their wishes. The idea is that people focus mainly on their own interest but that they take others into consideration if there is a need to collaborate. Personal interest motivates people to change if that serves their own interests. This strategy is about making force fields visible, articulating one's own advantage and exchanging interests to establish a solution.

In the rational and planned strategy, the basic idea is that people will always choose the most logical solution. The task is to convince people what the best solution is. After the environment is analyzed, management develops a business strategy together with experts. They formulate objectives and implement changes. Experts and advisors have an important role in the problem analysis and the formulation of the desired situation. In the planned approach, managers sometimes use large-scale cultural programs whose aim is to change the behavior of people in the organization.

The idea in the development and motivating strategy is that people have enough possibilities within themselves to change as long as there is a good director who can get the best out of them. Creating a safe context and offering clear structures reduces uncertainty and forms a foundation for change. The problem-solving capabilities of the people involved are appealed to in the change process. Usually, the change is initiated and supported by top management. In this change

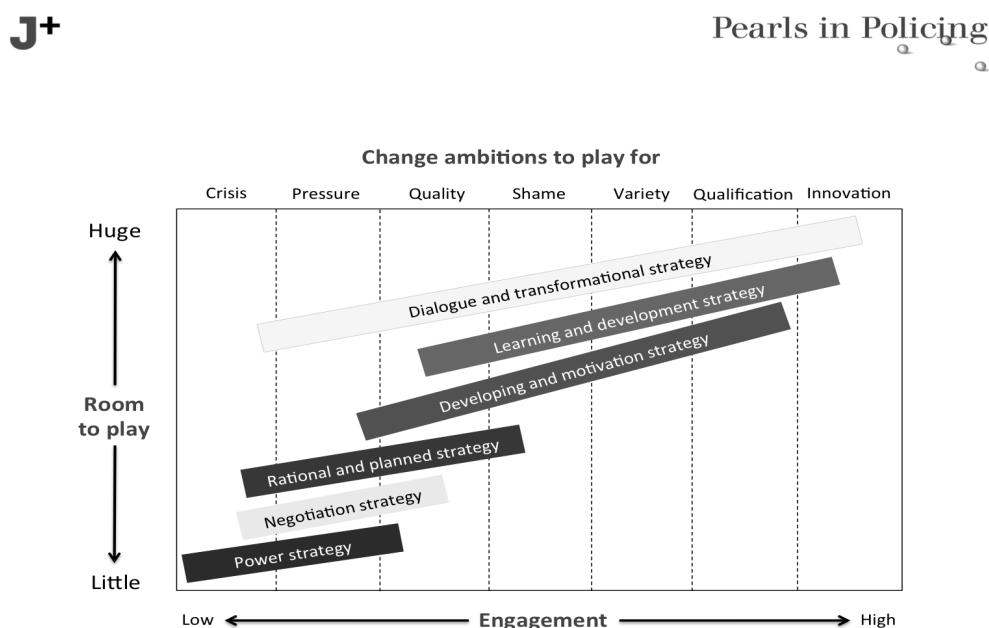
strategy, people who are directly involved work together in the organization to realize the desired change.

The idea behind the learning and development strategy is that people act on the basis of assumptions, emotions, feelings and almost unconscious patterns. Making people aware of these assumptions and patterns and making it possible to discuss the feelings create space for learning processes in which people change their behavior. The underlying idea is that learning is about mental clearing of limiting beliefs and the creation of new images of reality. Organizations that work successfully on strategic and cultural change almost always pay attention to opening basic assumptions and obstructive patterns up for discussion.

In the dialogue and transformational strategy, people exchange perspectives on organizing, changing and innovating. They experiment and get innovations going that go beyond their own organization. The idea behind this strategy is that reality is not objective but is anchored in the minds and hearts of people. If this view of reality is linked with a future ideal, energy is created and people get moving. It concerns multiple examinations of problems, exposing interpretations and stimulating interactions to produce a number of possibilities for solutions. Meanings and basic assumptions become visible and joint alternative actions are initiated which lead to a process of discovering new futures and destinies.

One of the most complicated tasks for people who are engaged in organizational change is to develop the concept of play to be successful in change processes. It is a balancing act between three related views on the context and change ambitions, room to play and the engagement of people needed to effect change. Figure 11 shows these views.

Figure 11. Views to Choose and Combine Change Strategies



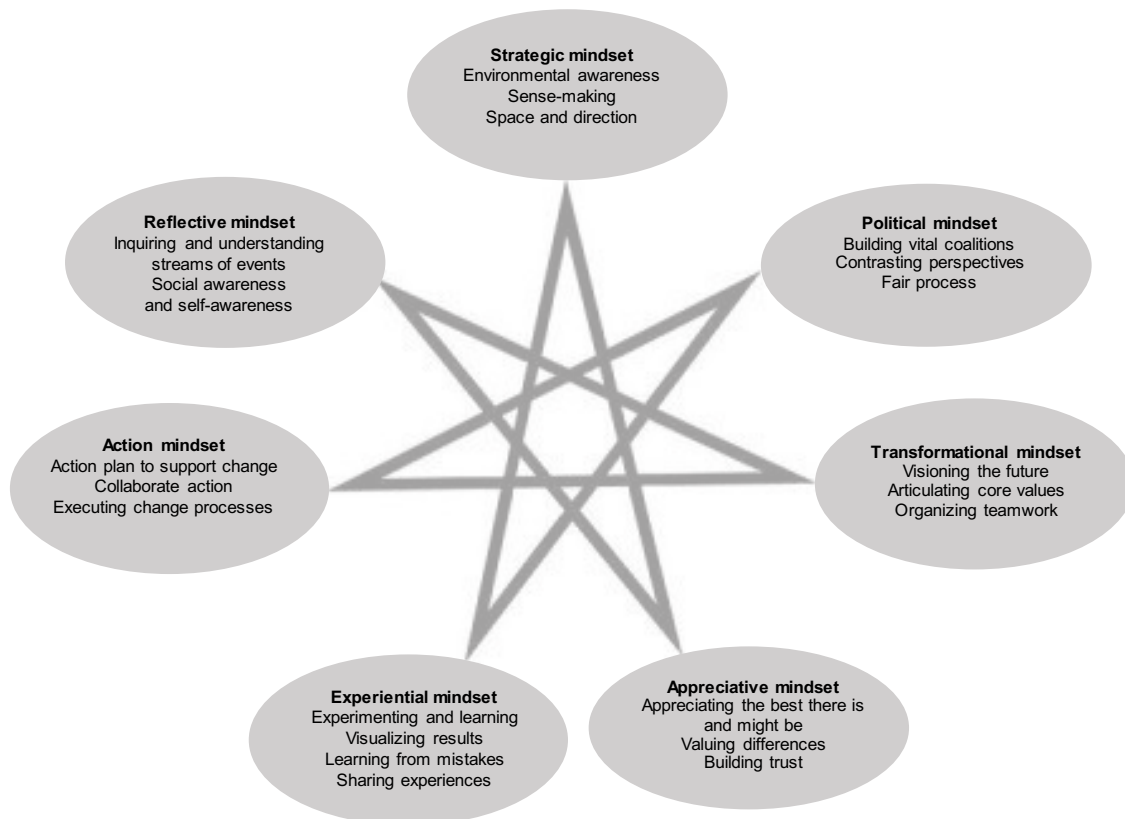
The first step in choosing and combining change strategies is to consider the dynamics on the playing field and define the ambitions to play for in this change process. The second step is to estimate the room to play and time pressure. The third step is to consider the importance of the engagement of internal players. In crisis situations and pressure from the environment there is little room to play. Time is limited and compliance of employees is enough to go forward. In this situation a power and planned strategy might be suitable to stabilize the situation and realize changes that contribute to survival. In a need for quality improvement a rational and planned change strategy is useful to improve quality systems while a motivation strategy is useful to get people involved in the change process. Professional shame is an important source of energy for renewal or innovation of existing relationships and work practices. Feelings like “never again” and “this is not what we want” can contribute in going down new paths. The change gains shape because people want to make a difference on the basis of their own engagement.

A change approach based on motivation, learning and development allows space for innovative experiments and that takes the time to share experiences and learn from them. Organizations that proactive want to qualify for the future or focus on innovations have room to play and the engagement of internal players usually is easy to evoke. In this situation learning, development and dialogue is a good combination of change strategies.

Cultural change mindsets for sustainable innovation

Successful leaders in organizational change for innovation work on change and innovation from a position of commitment and personal motives. We point out seven fundamental mindsets of success people involved in cultural changes for sustainable innovation. Figure 12 illustrates these mindsets.

Figure 12. Septagram of cultural change for innovation



- **Strategic mindset** — Cultural change is playing with meanings. When situations are uncertain, people look for information and meaning to be able to interpret the situation. The meaning gives color to the situation and direction to behavior (Weick, 2001). If the continued existence of a company is at stake, this calls up uncertainty that can sometimes have a paralyzing effect. People who take the initiative in those cases, interpret the situation and show the direction, offer a new perspective on the existing situation and the future. That is how they inspire others to join them on that course, realize the new future, and is about people who make the difference in uncertain situations and who are capable of imagining the future.

Environmental awareness is essential for innovative leaders to be aware of their environment (Drucker, 2004). Changes in the environment can be a reason why things cannot continue the way they are. Changing customer needs,

internationalization, increasing competition and technological innovations can encroach deeply on the work processes and patterns of cooperation. This puts the existing culture under pressure and creates possibilities for innovation. Recognizing necessity of change is often a first step in changing strategy, structure and culture to realize renewal. Threats from the environment are not always at the root of cultural change. Own ambitions to qualify for the future can also be a motive for cultural change. Then too, an awareness of the environment is necessary: What is happening in the environment, what do the customers want, what are the rivals doing, what opportunities does new technology offer the company, with whom can innovative networks be built? Fundamental changes can be initiated by necessity or by one's own ambition. An awareness of the environment is essential to have meaning for the customers, to see new possibilities and use them, and to see in due time when the continued existence of the enterprise is under pressure. An awareness of the environment is also needed for maintaining contacts with external parties that influence the functioning of the enterprise.

- **Political mindset** — Many stakeholders are active in and around organizations. Shareholders are important for the financial continuity and loyal customers are essential for stability and sustainability of business organizations. Competitors, new entrants and substitutes may threaten existing business models and challenge innovations. Politicians and their political advisors influence business by expressing their opinion and developing new laws and rules. Government committees influence the room to play, set barriers and offer licenses to operate. Unions and interest groups articulate their stake and influence the reputation and operation of an organization. Opinion makers and traditional media shed light on the impact of organizations on society and frame the value of an organization. Customers and pressure groups use social media to share enthusiasm about services, express frustration and accuse organizations for unethical behavior. To qualify a business for the future it is essential to inquire the stakeholders that influence the existence of the organization. Internal player groups contribute to more dynamics inside the organization.

In a turbulent environment employees and professionals may become uncertain and demand a clear vision for the future. Innovators may propose new business models, while middle managers act as the guardians on the existing culture and want to focus on stability. Strategists may search for new markets, while employees look for shelter in a competitive market. Non-executive board members and members of the supervisory board may ask for clear answers and results, while executive directors don't have these answers in an unpredictable environment. Mapping the uncertainty, needs and interest of the internal player groups help to grasp political and emotional dynamics between groups inside the organization (Mintzberg, 1983).

- **Transformational mindset** — Leaders in cultural change foster innovations by formulating a challenging vision and are able to motivate others with it. In order to achieve cultural change, they form vital coalitions of people who want to play a leading role in that vision and create innovative teams that challenge existing business concepts (Quinn, 1996). Transformational leaders visualize

the future (Tichy & Devanna, 1986). This vision reflects the meaning of the organization makes clear what the organization stands by and goes for. The strength of the business is also visible from the vision. A motivating vision appeals to the need of people to be able to be proud of their work and describes the meaning of the organization for its customers and society.

A vision is based on values that have meshed and helps people to give meaning to their membership of the organization. Managers and employees are almost always involved in developing the vision. Only if the business is in a crisis situation and speed is required will it be the leaders who formulate the vision themselves with a few confidants. A clear picture of what the organization wants to achieve helps employees to understand what the meaning, goal and priorities are in the business. A vision gives meaning to the work, contributes to a positive self-awareness, stimulates togetherness and appeals to deeper human values. It is not enough just to articulate an attractive vision. It is also about the conviction that the vision is attainable. This conviction is easier if the vision has clear points of application that are relevant to the shared values of the people in the organization (Hardy, 2006). In new businesses, it is the entrepreneur and founder who formulates the vision and looks for people to make that vision possible. In that case, it is reasonably simple to formulate a vision. In existing and mature organizations with long histories basic assumptions and underlying values are often implicit and unconscious. The skill in developing a new vision is to take these underlying values into consideration. That is why in mature organizations the vision almost always comes about in a participative process that involves people from the business. This helps people to understand the new vision and support it actively (Yukl, 2009).

- **Appreciative mindset** — Leaders in cultural change for innovation are aware of the past and acknowledge the contributions of their predecessors. They know how to value others for what they contribute to the company. They involve others in a cultural change to participate, they give space for emotions and they are honest in telling what the change means for the people in the company. Initiators in cultural change for innovation build on trust and appreciate difference because differences can be a source of renewal or innovation. Innovative leaders appreciate difference, build on trust and use conflicts to open a dialogue about the cultural values in the company (Whitney, Tristen-Bloom, and Rader, 2010).

Valuing the best there is starts with the belief that every organization, and every person in that organization, has positive aspects that can be built upon. Questions such as “What’s working well?”, “What’s good about what you are doing right now?” are posed. When all members of an organization are motivated to understand and value the most favorable features of its culture, it can make rapid improvements. This way of thinking is related to Appreciative Inquiry. Appreciative inquiry attempts to use ways of asking questions and envisioning the future in order to foster positive relationships and build on the present potential of a given person, organization or situation. The basic idea is to build organizations around what works, rather than trying to fix what doesn’t work. This way of leadership starts a process into an organization to examine the potential for creativity, innovation and change. After identifying processes that work well

and envisioning processes that would work well in the future, the development of new processes is planned and prioritized, followed by the implementation of the new processes. This reinforces positive strengths, brings people together around attractive futures and creates meanings by sharing stories of successes (Cooperrider, Whitney, Stavros and Fry, 2008).

- **Experiential mindset** — This mindset is about the ways people learn in cultural change and innovation and the role of the leader in this learning process. It is about experimenting with renewal, making results visible, accepting and learning from mistakes and sharing rich experiences. In every organization, people learn from critical events and mistakes. These learning experiences form the culture because in these kinds of situations people in the organization learn how they have to deal with unexpected events. These experiences become embedded in the 'way we do things around here'. Leaders can stimulate learning processes in organizations and thus contribute to the formation of a learning attitude which can contribute to strategic renewal or innovation. The idea behind this is that people in learning organizations are curious and willing to experiment. Experimenting and learning means that people from different backgrounds are prepared to share their knowledge and welcome each other's success.

Peter Senge argues for systems thinking to promote experimentation and learning in organizations (Senge, 1994). Systems thinking is based on building shared vision, reflecting on mental models, team learning and personal mastery. Building shared vision fosters a commitment to the long term. Mental models focus on the openness needed to unearth shortcomings in our present ways of seeing the world. Team learning develops the skills of groups of people to look for the larger picture beyond individual perspectives. And personal mastery fosters the personal motivation to continually learn how our actions affect our world. For leaders, the art is in recognizing the five disciplines and working with them to bring about an open culture and a learning organization.

- **Action mindset** — Innovation without active implementation is a daydream. Implementation without a strategic view on innovation is a nightmare. Leaders in cultural changes and innovations have an action orientation as well. They want to achieve results and are committed to realize deep changes (Drucker, 2004). People who take the initiative to change their organization will find that there are many interventions available. Interventions are the tools on an exciting journey and the activities that are needed to realize an ambition. The art is in arriving at a consistent combination of interventions and developing an action plan that match the reason for the change and the overarching change strategy to realize renewal or innovation.

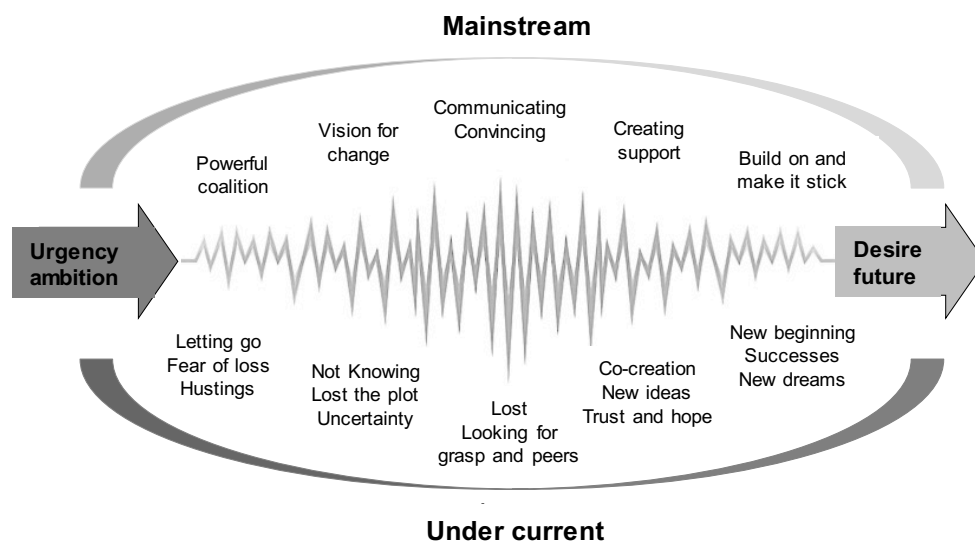
All kinds of tools and activities are available in this process while the change is taking place. The skill is in having a vision of the reason and the nature of the change. Interventions are embedded in the chosen change approach. It is also relevant to have a perception of the different actors and roles in the change process. The nature of the change, the change approach and the actors affect the choice of possible interventions. Successive interventions must connect to each other so that they form a logical whole to maximize the effectiveness of a

set of interventions become efficient when there is a clear focus on necessary interventions and organizational resources such as time, effort and money are taken into consideration. Communicating about the change strategy and the interventions, making the progress visible and celebrating successes provide support to the cultural change and the chosen change strategy and intervention mix (Caluwé & Vermaak, 2002).

- **Reflective mindset** — Leaders in cultural change for innovation are aware of developments in the surroundings and they know what is happening in the organization. They know themselves and study others in depth. They use this awareness to direct the energy of the people in the organization and realize innovation (Goleman, 2009). During cultural change for innovation tension are obvious and part of the game. Curiosity helps to discover unwritten rules of the game and the underlying dynamics that guide behavior. Deep change puts the existing values, habits and forms of conduct under pressure, and tensions and conflicts can arise from this.

Conflicts and tensions can be a creative source of renewal or innovation of deeper values. Barriers can come from negative experiences with previous change processes, a lack of confidence in management, insufficient belief that the intended change is attainable or from defense of the existing organizational strategy and culture that offers a certain degree of security. Organizational change usually focuses on the visible elements in a planned process. This mainstream perspective is not enough in an uncertain context when innovations question existing practices. The mainstream perspective neglects the tensions and emotions in the undercurrent. To be successful in strategic and cultural change the visible mainstream activities and undercurrent feelings and emotions has to be taken seriously both. Figure 13 illustrates the upstream an undertow in the process of culture change for innovation.

Figure 13. Upstream and Undertow in Culture Change for Innovation



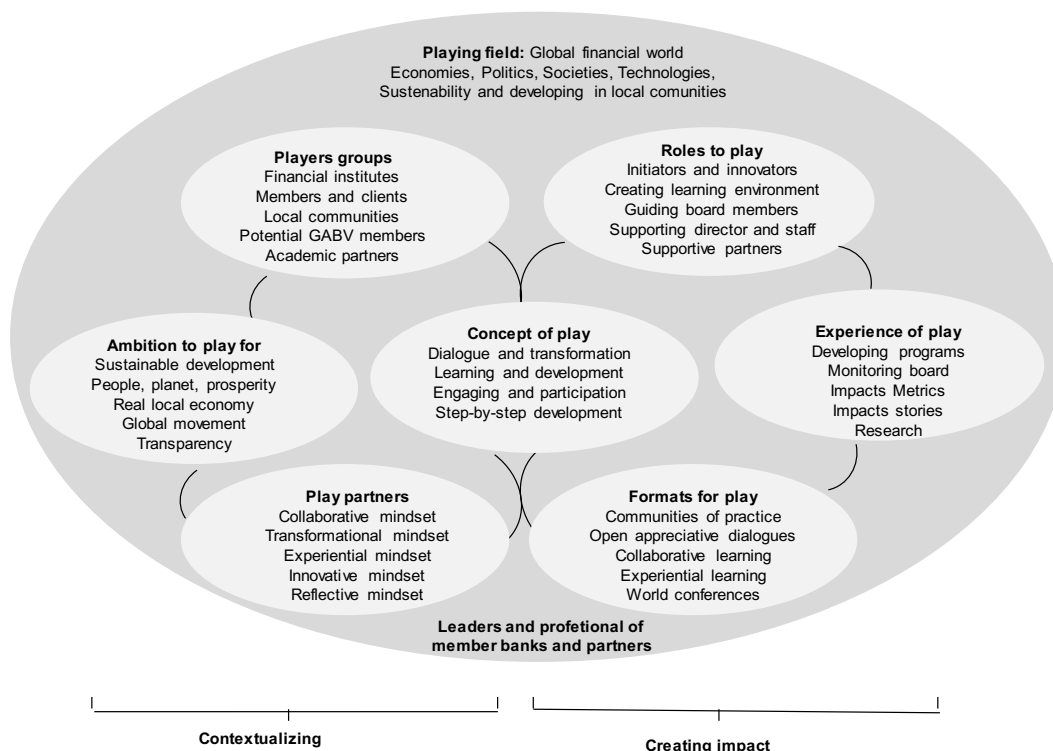
Dedicated attention to the feelings and emotions in the undertow reveals that uncertainties and emotions can be discussed and that there is a willingness to

learn from earlier experiences. Making it possible to discuss obstacles or barriers can help in clearing them out and creates trust in the mutual relationships. Implicit presuppositions that reflect the current culture come to the fore. It is precisely this that makes it possible to enter into a dialogue about the difference between the existing culture and the desired culture.

Play model for GABV

The GABV is at the forefront of a quiet revolution in banking based on an innovative business idea and innovative practices grounded on a change strategy of engaging people, open dialogues and a cycle of experimentation, reflecting, exchanging and learning. To conclude this example, we use the concept of change as play as a summarization and as an illustration how change as play might be used in organizations. Figure 14 shows the play model for GABV.

Figure 14. Play Model for GABV as a Global Innovative Movement



The elements of the play model of GABV a Global Innovative Movement are:

- **Playing field — Contextual dynamics** — The banking sector is embedded in the broader political, economic, social and technological context. For the GABV sustainability and environmental development is an additional perspective. The service of banks is internationalized to a global level with huge financial conglomerates that may affect economic and social life as we have seen in the worldwide financial crisis. The GABV wants to influence the dynamics in the banking sector and advance a positive change and innovation in financial services.
- **Players groups — Actors and interests** — The GABV is aware of many financial institutions and regulators that influence their services, including The World Bank, European Banking Authority, OECD, IFM, United Nations and the World Economic Forum. More than other banks she is aware of the needs of local communities and transparent what they contribute to sustainable business in these communities. The GABV is building alliances between banks that share the same values. It also invests in collaboration with knowledge

institutes and fair-trade organization and invites them to become partner in the innovative movement they envision. Examples of these partners are the Aga Khan Agency for Microfinance, MIT CoLab, B Lab, Oikocredit, FMO, SME Finance Forum and CEMS as a global alliance of academics and corporate institutions to prepare a future generation of international business leaders.

- **Ambition to play for — Meaning and values** — The ambition to play is very clear with a common purpose to use finance to deliver sustainable economic, social and environmental development. The members want to advocate values-based banking as a viable and positive alternative to the current banking system. With this unique position in the financial world, strong core values and six guiding principles the members in the GABV and the professionals in the banks know where it go for and stand for.
- **Play patterns — Organizational dynamics** — The play patterns are related to “how we do things around here”. One of the basic assumptions is that every financial service has to be embedded in the real economy and servicing the local community. For every member bank this value could result a different way of working because the banks are part of the local community, their own history and national cultures. The strong focus on transparency is reflected in the internal way of working as well. The emphasis on development is visible in the internal dynamics of development and learning from and with each other. Dedicated attention to cultural values and supportive Human Resources practices contribute to organizational dynamics based on engagement with freedom for professional to contribute to innovation in values-based banking.
- **Concept of play — Change strategies** — The concept of play is very clear in the conscious choice for dialogue, learning and development as an overarching combination of change strategies to grow the global alliance and build a worldwide community to offer a positive alternative for current banking. A long-term perspective is dominant in the business concept and in the change process itself. The change is a step-by-step process based on small initiatives, experimentation, reflection and learning during the change. The room to play and to experiment is huge. The engagement of leaders and professionals is high by the challenging business idea and the freedom for professionals to contribute to a better world.
- **Roles to play — Viewpoints and contributions** — Every employee is member of the community and free to present new ideas and take initiatives for innovation as long they are in accordance with the guiding principles. The executive director of the GABV and his staff plays a special role in the development of the GABV. They are supportive to the member banks by creating Communities of Practice that support the exchange of good practices. They encourage members and partners to contribute to the #Bankingonvalues movement. Chapter leaders play a role in bringing regional leaders together in roundtable dialogues to address specific issues and envision futures of value-based banking. High potentials and future leaders are engaged in an intensive development and learning program that helps to create the future of value-based banking.

- **Formats for play — Intervention strength** — The interventions used by the GABV are in accordance with the change strategy of dialogue, learning and developing. Examples are the Region Chapters, the Communities of Practices, the GABV academy, the impact metrics and all kind of tools to support new member banks in their development. The tools include communication tools, tools to build communities of practice and conference tools. All these tools help to collaborate, engage, inspire and report on value-based banking. A specific intervention is the open dialogue and collaboration with partners that are invited in the alliance for innovation, research, education and scientific reflection.
- **Experience of playing — Development and impact** — A governing board of directors monitors the development of the GABV as an alliance and a movement. The board has a regional structure with the chair selected on a global basis. The GABV annual member meeting exchange future perspectives, discuss strategic priorities and support the development of the GABV. Scorecards are used to assess the qualitative and quantitative impact of member banks in their sectors and regions. The Scorecard is a metrics tool developed the GABV and partners to measure banking impact. It is designed as the world's first banking solution for qualitatively and quantitatively measuring the adoption of the principles of values-based banking by any bank. Impact stories support the exchange of value-based practices and contribute to the visibility of the movement and their progression in global impact.

Conclusion

Working on a clear business idea for sustainable innovation is about how organizations can retain their individual character, put their core qualities into action to realize renewal or innovation and make themselves stand out by creating value for their customers. The key question is how a business wants to position itself and distinguish itself by creating value for customers. If the business tackles this, it involves a change that affects the identity and the meaning of the organization and in which a renewal or innovation of strategy, structure, systems and work processes goes hand in hand with a change of organization's cultural values, preserves its identity and stimulates and shapes innovations. Equally essential is a good customer definition and a clear picture of the customer value that the business wants to deliver and how customers can be satisfied.

Participative leaders know what is important inside and outside the organization. Through their sensitivity to what is happening in the environment, they see new possibilities. This enables them connect to the emotions and ambitions of others and they are able to direct the energy of the people in the organization to the future. They consult others in their decision making and stimulate collaboration in innovative initiatives. Charismatic leaders deliberately pay attention to specific cases and events. They are explicit about what they believe is important, what they attach value to, and what they definitely do not want. Moreover, they name events, share interpretations inviting others to share their vision, create space for dialogue and in that space, they give meaning, sketch an attractive picture of the future, tell stories and inspire others with them to participate. Transformational leaders have a deep understanding of the fundamental values in our society and of the social and emotional needs of people. They are curious, explorative, have broad interests, have a learning attitude and know what they are like, with their strong and their weak sides and sense when something is an incidental disruption of a work system and when something is symptomatic of fundamental change. They are also aware of the values and standards of a social system and recognize when those rules have to be modified to create space for innovation. The Management by Sustainable Innovational Values (MBSIV) and the Values-Based Strategy Map may be used for incorporating values in the company's strategic goals and mission statement as well as strategic objectives, processes, measures, targets and initiatives, and then assessing the extent to which they are shared by organizational members to develop sustainable innovations.

Cultural changes for innovations are not just a matter for top managers and directors. The initiative can be taken from any role and any position. Often it is the managers, professionals and employees who take the initiative to change the culture from a sincere feeling that things have to be different and can be different. Assuming leadership in change means being engaged in change. Leaders in cultural change for innovation give meaning to the course of events by

interpreting unclear or special events. They concentrate more on possibilities than on threats or problems. They know what the organization stands by and what it goes for, and they know what affects people. They are role models to others and they do what they say. They make cultural values explicit and work on making these values concrete in behavior, specially to develop strategic, political, transformational, appreciative, experimental, action, and reflexive mindsets, as well as critical capabilities to engage people in deep successfully organizational culture changes for renewal or innovation.

Innovative leaders actively involve other members of the organization and external interested parties in the articulation of a meaningful, attractive and feasible vision of the future. Trust and space from these leaders motivate others to get to work on a new vision in their own working environment and invite people to experiment with renewal or innovation. They indicate boundaries, are clear in what they do not want, form vital coalitions to give shape to changes, are willing to change players if this makes the transformation easier, stay optimistic, show progress and make successes visible.

References

- Boonstra, J. (2004) Dynamics of Organizational Change and Learning. Wiley.
- Boonstra, J. & De Caluwé, L. (2007) Intervening and changing. Looking for meaning in interactions. John Wiley & Sons.
- Boonstra, J. (2013) Cultural change and leadership in organizations. A practical guide to successful organizational change. John Wiley & Sons.
- Brillo, Dolan, and Kawamura (2014) Coaching by Sustainable Innovational Values: The 40-30-30 tri-intersectional model. Effective Executive, IUP Publication.
- Brillo, J., Dolan, S., Kawamura, K. (2014) Coaching by Sustainable Innovational Values: Postraying the case of the 40-30-30 tri-intersectional model. Esade Working Paper.
- Brillo, J., Dolan, S., Kawamura, K. & Fernandez, X. (2015) Managing by Sustainable Innovational Values. Journal of Management and Sustainability.
- Brillo, J., Dolan, S., Kawamura, K. (2016) A Values-Based Strategy Coaching Map: towards aligning coaching by values with the strategy development process to achieve sustainable performance. ISSWOV.
- Caluwé, L.I.A. de & H. Vermaak (2002) Learning to change. Sage.
- Collins, J. & Porras, J. (1996) Building your company's vision. September-October. Harvard Business Review.
- Cooperrider, D.L., D. Whitney, J.M. Stavros & R. Fry (2008) Appreciative Inquiry handbook: For leaders of change. Berrett-Koehler.
- Dolan, S. (2011) Coaching by values. iUniverse.
- Dolan, S., Garcia, S. & Richley, B. (2006) Managing by Values: A Corporate Guide to Living, Being Alive, and Making a living in the 21st Century. Palgrave Macmillan.
- Drucker, P.F. (2004) What makes an effective executive. Harvard Business Review, June 2004.
- Global Alliance for Banking Based on Values (2018) www.gabv.org.
- Goleman, D. (2009) Ecological intelligence. How knowledge of what we buy

can change everything. Broadway Books.

- Hardy, J.G. (2006) The Core Value Proposition: Capture the Power of Your Business Building Ideas. Trafford.
- Kaplan, R., Norton, D. (2004) Strategy maps: Converting intangible assets into tangible outcomes. Harvard Business Press.
- Kim & Mauborgne (2005) Kim, W. & Mauborgne, R. (2005) Blue ocean strategy. How to create uncontested market space and make competition irrelevant. Harvard Business Review Press.
- Kotter, J. (2012) Leading Change. Harvard Business Review Press.
- Mintzberg, H. (1983) Power in and around in organizations. Prentice Hall.
- Quinn, R. (1996) Deep change. Discover the leader within. Jossey-Bass.
- Senge, P.M. (1994) The fifth discipline. The art and practice of the learning organization. Doubleday.
- Tichy, N. & Devanna, M. (1986) The transformational leader. John Wiley & Sons.
- Ulrich, D., Huselid, M., Becker, B., (2001) The HR Scorecard: Linking People, Strategy, and Performance. Harvard Business Press.
- Van der Heijden, K. (2005) Scenarios. The art of strategic conversation. Wiley.
- Weick, K. (2001) Making sense of the organization. Blackwell.
- Whitney, D., A. Tristen-Bloom & K. Rader (2010) Appreciative leadership: focus on what works to drive winning performance and build a thriving organization. Mac Graw-Hill.
- Yukl, G. (2009) Leadership in organizations. Prenti.

ESADE

Ramon Llull University

Campus Barcelona · Pedralbes

Av. Pedralbes, 60-62
08034 Barcelona (España)
T. +34 932 806 162
F. +34 932 048 105

Campus Barcelona · Sant Cugat

Av. de la Torreblanca, 59
08172 Sant Cugat del Vallés
Barcelona (España)
T. +34 932 806 162
F. +34 932 048 105

Campus Madrid

Mateo Inurria, 25-27
28036 Madrid (España)
T. +34 913 597 714
F. +34 917 030 062

www.esade.edu