

# VALUES



A GUIDE TO CREATING, ALIGNING AND EMBEDDING VALUES IN YOUR ORGANISATION

# Plus Strategies to Refresh, Enhance and Live Existing Company Values

It was poor advice from the famous economist Milton Friedman that the only duty of a corporation is to maximise its return on investment.

People and their behaviours are the biggest drivers of both value and risk in organisations. We have reached a point where regulators, policy makers, the investor community and finance, accounting and risk professions are waking up to the fact that having businesses that don't have values and act on them is becoming unsustainable.

Now, more than ever, employees are searching for meaning and purpose in work. That doesn't mean we all want to work for companies which have a mission to do only good, but most of us want to work for a company that knows what it stands for, and what it values.



**Samie Al-Achrafi**

## Values

n : principles or standards of behaviour; one's judgement of what is valuable or important in life.

Values are beliefs of a person or social group in which they have an emotional investment (either for or against something).

## Morals

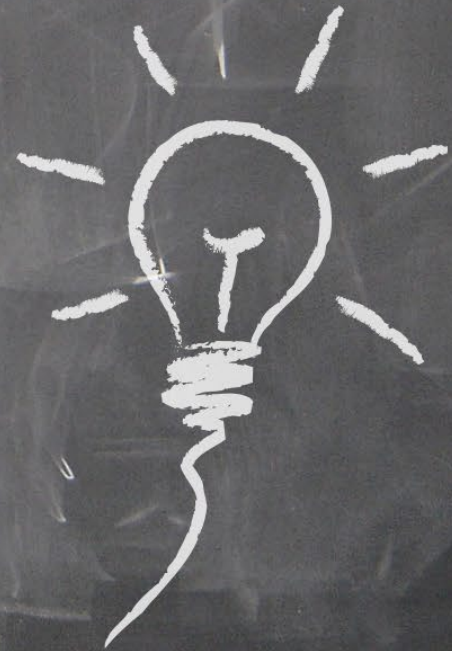
n : principles of right and wrong.

Morals are a set of rules that differentiate the right from wrong based on the belief system of society, culture, and/or religion.

## Ethics

n : moral principles that govern a person's behaviour or the conducting of an activity.

Ethics tend to be codified into a formal system or set of rules or standards governing the conduct of a person or members of a profession.



# Why Focus on Values?

Every individual has a set of values through which they look at things. What we value guides not only our personal choices, but also our perceptions of the worth of others.

Values, therefore, become part of complex attitude sets that influence our behaviour and the behaviour of those with whom we interact.

Values bring people together through a shared understanding. They are the essence of your company's identity; an embodiment of what your organisation stands for and often the characteristics on which your company was built.

Values support the vision, shape the culture and reflect what your company values. They are an operating system, guiding your employees in what is important. They are a filter for decision-making and describe how to support customers and interact with one another.

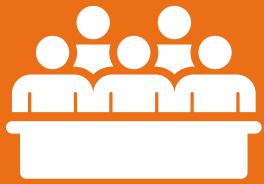


## TOP TIP:

Make your values clear so everyone understands them. Values, like mission statements, need to be articulated in such a way that they easily flow from everyone's lips, whether they're in the boardroom or the boiler room.



EMPATHY



COMMUNITY



FUN



VITALITY



TRUST



TEAMWORK



COMPASSION



CONNECTION



EMPOWERMENT



SUCCESS



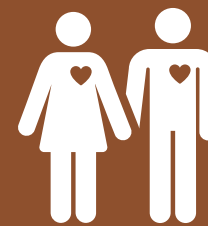
PROFESSIONALISM



BALANCE



FLEXIBILITY



CARING



LOYALTY



# Core Values

Core values help companies in the decision-making processes.

For example, if one of your core values is to stand behind the quality of your products, any products not reaching the satisfactory standard are automatically eliminated or upgraded to the valued quality.

Core values are becoming primary recruitment and retention tools.

With the ease of researching companies, job seekers are doing their homework on the identities of the companies they are applying for and weighing up whether or not these companies hold the values that the job seekers consider as important, that align with their personal values.

Core values that are aligned and embedded throughout your organisation can be a source of competitive advantage, resulting in:

- A secure license to operate
- A more engaged workforce
- A more loyal and satisfied customer base
- Better relationships with stakeholders
- Greater transparency
- A more collaborative community
- A better ability to innovate

# How Many Values Should We Have?

**Be disciplined.** There is little point in creating a long list of values that no one will remember. Three to five is optimal, so be prepared to let go of ideas along the way.

The more values you have, the greater the odds that employees focus on different values or interpret the same values differently. And while many values might seem universal, the emphasis – and meaning – can vary from one organisation to another.

## TOP TIP:

You can replace onerous policy manuals and handbooks by educating everyone on company values. If done meaningfully, values become the compass that guides employees in making decisions.



The values should be symbolised by one word, followed by a brief definition and defined behaviours in observable, tangible, measurable terms.

For example:


## TEAMWORK



Providing support to one another, working co-operatively, respecting one another's views, and making our work environment fun and enjoyable.

- All team meetings will include a progress report and requests for help when needed. When we are unsure, we check with others as to what they meant.
- Each person brings different skill-sets to the table and is entitled to express their views without interruption.
- We help others to achieve their deadlines without having to be asked.
- All projects have identified points that are celebrated by the whole team.
- All concerns are aired constructively with solutions offered. Every one of us has a responsibility to say what we are thinking, back it up and stay accountable to our ideas.

## OWNERSHIP



Taking ownership of our customers' needs and being accountable for delivering friendly and professional service.

- We are each fully accountable for our work in gaining any possible repeat business with customers.
- We understand our customers' business, and prepare for all meetings with them.
- We enjoy their custom and therefore they deserve our service - timely, responsive, pro-active, meeting their needs and aiming to delight.
- At every meeting with our customers, we ask them what we could have done better, then implement their suggestions before we meet them again.
- Before any accounts are rendered, we check with our customers that they are sufficiently satisfied to pay the agreed account.

## GROWTH



We value learning, feedback, coaching and mentoring.

- Coaching and mentoring are commonplace here. All opportunities for our own learning are pursued.
- We do not upset one another intentionally, always endeavouring to present feedback constructively.
- We take pride and ownership in all that we do and say.
- We each take responsibility to gain the required development to meet our customers' needs.
- Whenever we undertake a project, it is our responsibility to express our learning needs and gather the required skills.



# What happens if the espoused values are not brought to life?

If done correctly, values can distinguish and direct a company. Yet too many organisations act as if they can integrate ethics into their strategy by proclamation.

An organisation may publish one set of values, while the values that really guide organisational behaviour are very different. Others turn to fashionable initiatives that, however well intentioned, are doomed to fail if the foundations have not been laid. Empty values statements create cynical and dispirited employees, alienate customers, and undermine managerial credibility.

Coming up with strong values – and sticking to them – requires real guts. Indeed, an organisation considering a values initiative must first come to terms with the fact that,

when properly practiced, values can inflict pain. They make some employees feel like outcasts. They limit an organisation's strategic and operational freedom and constrain the behaviour of its people. They leave executives open to heavy criticism for even minor violations. And they demand constant vigilance.

If you are not willing to accept the pain real values can incur, you will be better off without them.

## TOP TIP:

Often values are generalised concepts that can be interpreted in various ways by different people. If you want people to truly live the values, make them actionable.



# If done correctly, values can distinguish and direct a company

## **Make sure...**

They aren't too long.

There aren't too many of them.

They are actionable.

They are connected to your vision, mission and purpose.

Your team can describe how the values guide their actions.

The founders and leadership team are passionate about them.



# Remember

## Values always exist;

the question is whether they are intentional, accidental or hypocritical.

## Values inspire people;

rules squash ethical engagement and people look for ways around them. Besides, you can never make enough rules to cover all potential situations. This is why lived out values are so impactful – they create the 'playing field' within which people can do their work.

## Values should be timeless;

values shouldn't be influenced by trends, fads or what your competitors are doing. Core values are universal concepts that anyone can understand and that will be as relevant in a hundred years as they are today.

## Values are guiding principles;

values need to have a real, practical, everyday application in every part of your business. If it's not clear what a particular value would mean equally for someone in the Customer Service team as in Finance, then it is probably not one of your company values.

## TOP TIP:

Build leadership capability in line with cultural and behavioural values. Above all, ensure that you and your senior team live the values in all you do. Words, without evidence that they are being applied, will reinforce people's scepticism.



# How to create your organisational values



## OPTION 1

### Set your objective

To identify x number of core values

### Create a long, long list

Ask two questions:

**What do you love about working here?**

**What could be even better?**

### Group and cut

Assign one or two people to do some analysis to get down to a few big ideas. Once you have a comprehensible list, take it back to the team who helped you get there.

### Test your commitment

Now the hard part. Ask yourselves, one-by-one, could you stand behind these values no matter what?

**Would you stand by this value even if it became a competitive disadvantage in future?**

**Would you defend this value to a shareholder who did not agree?**

**Would you refuse to serve a customer who compromised this value?**

If a value doesn't cut it, it must go.

### Define them



# How to create your organisational values $\Sigma$ OPTION 2

Getting your whole company involved in the process might not be that practical, but there are a couple of ways around this. If your priority is to collect input from as many people as possible then a short survey could work well. It is up to each employee whether they respond or not. The ones who care will.

## You may wish to ask

**How do we work together?**

**How do we serve customers?**

**How do we make decisions?**

**How do we treat each other?**

Alternatively, you can ask a small group of employees to take part. For this, select key influencers from across different departments and levels in the business.

You can ask people straight out what they think the company values should be but it is difficult to get past generic concepts with this approach. The trick is to ask a probing question; to get people thinking. Pose a question such as, "What attributes do you admire in your teammates?" and you are more likely to get to the good stuff.





### 1. Discover your personal values

Be honest with yourself. It is harder than you think.

### 2. Get key people's personal values

Partners, leaders, and key influencers.

### 3. Combine people's values

Don't do this by committee – just one or two people.

### 4. Ask managers to test values against employees

Are these the values you would expect to see? Would they be easy to embed into the businesses, activities and interactions? Are there any other values you would expect to see that aren't here?

### 5. Test your commitment

Are you willing to hire/fire people based on whether they fit your core values, even if an employee adds a lot of value in the short-term?

### 6. Send out to the entire company, and ask for feedback

Can you envision these values being as valid 100 years from now as they are today?

### 7. Combine people's values (again)

Don't do this by committee – just one or two people.

### 8. Roll out core values to entire company.





**Analyse the behavioural traits of those around you and identify key themes.**

**Ask yourself what traits you will be looking for in your next hires.** What type of behaviours and mindset are you looking for? What personality traits will help the new person to work well with the rest of the team? What type of individual potential will be most useful for the greater good of the organisation?

**Understand your strengths and weaknesses as an organisation, and try to create organisational values, which will play to your strengths and mitigate your weaknesses.**

Bring these things together in a set of values that are short both in number and in length.

**Test these values by asking whether or not they resonate with your people.**

**Revisit your vision/mission statement** – are your values consistent with your strategic vision and the purpose of your organisation? Will they take you closer to making it a reality?

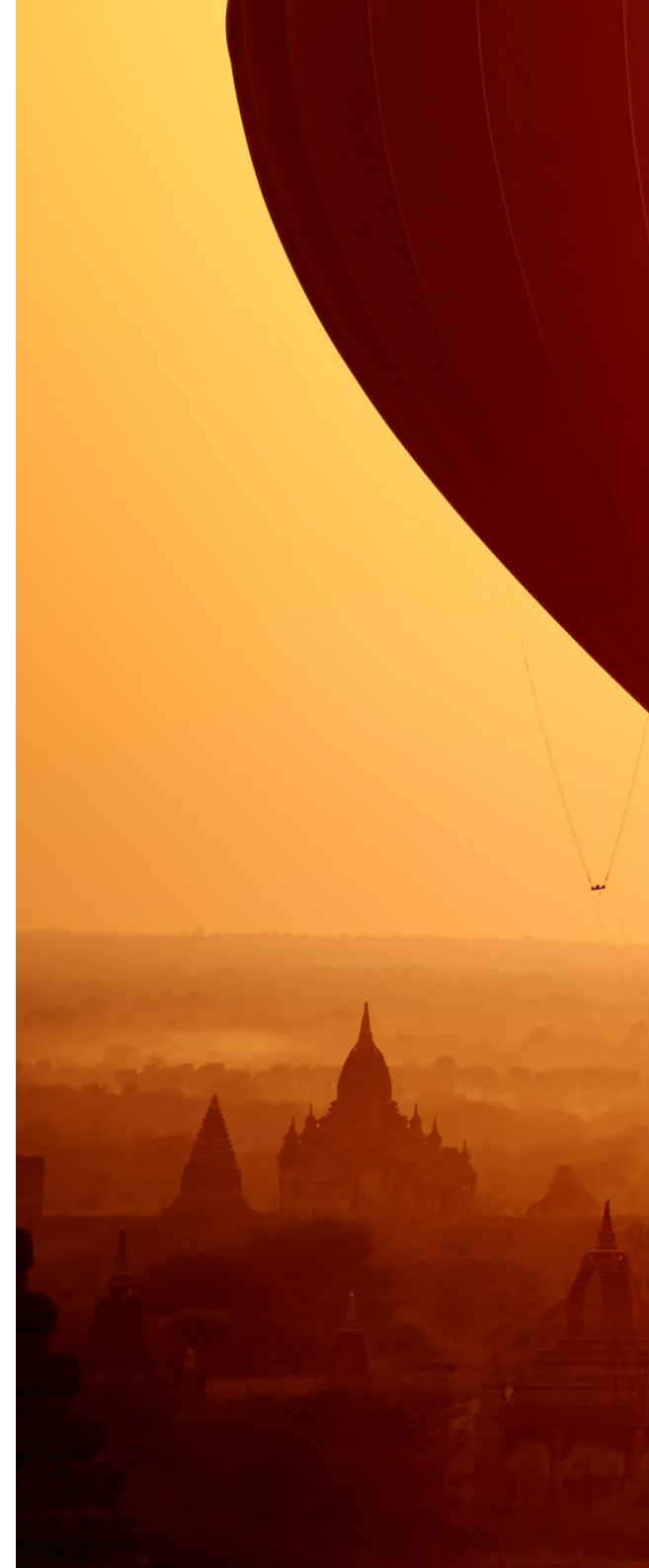
**Don't stop there** – write down on a piece of paper why each value is important and tangibly what you will do to live it as an organisation.




# We have that covered, so what's next...

Let's say you have come up with the right values for your organisation. If they are going to really take hold core values need to be integrated into every employee-related process – hiring methods, performance management systems, criteria for promotions and rewards, even dismissal policies.

From the first interview to the last day of work, employees should be constantly reminded that core values form the basis for every decision the company makes.







After a company has embedded its values into its systems, it should promote those values at every opportunity.

Given the cynicism surrounding values these days, executives would do well to repeat them every chance they get. It has been said that employees will not believe a message until they've heard it repeated by executives seven times. You may wish to put values and culture on the standing agenda at Executive Committee and Senior Leadership Team meetings. It's not that your people see you as immoral, they see you as amoral with no meaningful vocabulary around values.

**TOP  
TIP:**

Create employee voice and whistle-blowing processes that protect employees who speak out about values and behavioural issues, and ensure that the board takes effective action to rectify concerns.



# Challenges

Organisations can face a number of challenges when trying to embed a new system of values. Watch out for these barriers:

**Senior leadership is not bought into why values are important, and therefore can undermine the initiative by not role modelling the desired behaviours.** Values must be business-led and not seen as an HR initiative.

**Values are set by senior leadership, but without collaboration from employees.**

The employees may feel that they do not have ownership, perhaps because the stated values are not lived by local management, or do not use language that is meaningful or relevant to employees. This sense of ownership is important for engaging employees with the values initiative. Sometimes senior management can be in a different country so there may be a disconnect because of cultural differences, which mean that the desired behaviours have not been successfully 'translated' into behaviours that are appropriate for different cultures.

**Organisations have implicit, unwritten values that are part of the current culture.**

The challenge becomes to move your organisation from implicit to new stated values. Newly defined explicit values cannot simply be imposed by telling people what they are as they are likely to conflict with the existing implicit values and behaviours. These prior existing values need to be recognised and articulated so that one can understand where they are out of alignment with the desired values and behaviours. Employee input can be very helpful in understanding these cultural issues and barriers.

# Measuring the Impact

Measuring values and culture has long been a challenge. Creating a dashboard that uses both efficiency and effectiveness metrics, demonstrates the impact of the work stream against business outcomes and its commerciality.

A range of measures and proxy indicators across the employee lifecycle are essential, both qualitative (such as employee engagement or enablement surveys, cultural diagnostics or leadership assessment), as well as quantitative (employee retention or turnover statistics, workforce composition and diversity, performance metrics).

Regular reporting with a clear and accessible narrative, give greater insight and confidence to all stakeholders that the board and management understand these dimensions of their business.



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