

**IS THERE ANY
VALUE**

**IN
VALUES?**

WHETHER YOU SEE THEM AS THE CRITICAL FOUNDATION
OF WHAT A COMPANY STANDS FOR OR A POINTLESS
CREDO CREATED BY CONSULTANTS, CORPORATE VALUES
ARE HERE TO STAY. BUT ARE THEY REALLY WORTHWHILE?
INVOLVE INVESTIGATE.



PROVE IT!

Connection =

The stimulus you provide
+
the response provided
by the listener.

You cannot connect with someone
by telling them the response you
want from them.

If I want you to think I'm funny,
I tell you a joke. You laugh.
You think, "he's quite funny".
Job done.

But if I want you to think
I'm funny and I tell you,
"I'm quite funny, me."
You think, "you're a prat."

What is this obsession with telling
people we've got values?

"Our values are integrity, customer
focus and teamwork."

Sure we've just cut 6 corners on our
supply chain, junked the customer
service targets and fired half the
Runcorn plant.

If the business world stopped
proclaiming their values and devoted
more time to doing things that prove
it, the world would be a better place.

Or at least less cynical.

Here is a typical set of corporate values: 'communication, respect, integrity, excellence'. All good stuff, right? Well, yes, but truly valuable to the organisation? In this case, no. These were the values of Enron circa 2001 – and we all know how that story ended. So how can values help to build a competitive advantage and how can we make them meaningful to a workforce, whose collective nose is finely tuned for the faintest whiff of corporate bull***t?

THE TRUTH ABOUT VALUES PROGRAMMES

You can't read the management press without coming across a company trumpeting about how it rolled out a values programme to employees, but what does this 'programme' typically involve? The first step, of course, is an expensive executive retreat where the senior leadership – with help from a clutch of smooth-talking consultants – brainstorm some values and uncover the new 'soul' of the business that will triple the share price or get everyone 'singing from the same hymn sheet'. Step two is to create a snazzy logo and brief middle management, and step three is to communicate the values to employees and get them all 'on board'. The problem is that by this last stage, the inspirational ideas that had executives falling over themselves have become just more internal noise. What lands on the employee's desk is a branded mouse-mat, a DVD with Heather Small's 'Proud' soundtrack and a special issue of the company magazine. It becomes instant wallpaper and the initiative bites the dust.

JUST ANOTHER INITIATIVE

Of course, not every values initiative follows this woeful formula. The right values, embedded in the right way, can be a powerful tool in developing a culture, where employees strive together to deliver the kind of experience that the business is promising to its customers.

There are common traits to successful values programmes, and the first is that they are not seen as a one-off 'programme' from XYZ Department or yet another 'initiative'. Karen Callaghan, UK People Leader at fruit smoothie company Innocent, says "even the

phrase 'values programme' sounds contrived and inauthentic (see case study). A PR-style approach thrust on employees can mean values are doomed from the outset", she warns. When this happens, the values can all too easily be lost in an organisational fog of corporate principles, brand values, vision, mission, KPIs, brand behaviours, customer promises and so on ad infinitum. "Many organisations stand accused of confusing employees through initiative overload", says Dik Veenman, consultant with INVOLVE and owner of The Right Conversation. "A Company's values need to be seen to be central to everything they do, a rallying cry for the tribe, energetically championed from the front by its chieftains."

VALUES: UNCOVERED OR CREATED?

Secondly, successful companies uncover the values that already exist at the core of their business – they don't create them. The most well-known piece of research around values is undoubtedly Built to Last by Jim Collins and Jerry Porras², published in 1994. They found that 'great' companies – those with a strong, shared sense of core ideology – outperformed the stock market by a ratio of 16 to 1. The key word here is 'core.' The values held by these visionary companies are central tenets that do not alter with the current business environment, latest CEO or new management trend. As strategies and leaders change, the core values are preserved.

The most successful organisations are those that uncover their core values in order to strengthen their culture and make it explicit. There are also those that want to use a set of values to change their culture. Although creating a totally new set of

CASE STUDY 1 NATURAL VALUES AT INNOCENT



Karen Callaghan is a busy person. As Innocent's UK People Leader she is responsible for, among other things, bringing great people into the business – and for a company growing as fast as Innocent, that's a lot of recruitment. The company's values, she says, are key to enabling successful growth. "Having strong values allows us to attract and retain great people, and they also define how to be successful in our business."

Despite its rapid growth – from a three-person start-up in 1999 to over 250 employees and a turnover of £75m today – the company's culture has remained distinctly 'non-corporate.' "The phrase 'values programme' sounds contrived," says Callaghan. "Our first value is 'be natural' and this also sums up our approach to values themselves. With our values, we're not trying to create something that doesn't exist, we've simply tried to codify what's at the heart of the business." Innocent's four other values are: 'be entrepreneurial', 'be responsible', 'be commercial' and 'be generous'. Companies that get values wrong, says Callaghan, often take a PR-style approach, launching an internal marketing campaign to promote values to employees. "Ultimately, you can't do it through one-way communication – you have to focus on conversations." Innocent encourages employees to talk about values in action – but in a fun, natural way. "If you let people talk about values in their own words, through anecdotes and stories, you add colour and bring values to life," she says.

**PEOPLE FORGET
WHAT YOU SAY, THEY
FORGET WHAT YOU
DO, BUT THEY ALWAYS
REMEMBER HOW YOU
MADE THEM FEEL.**
MAYA ANGELOU



values to achieve this is something to be approached with caution, warns Dik Veenman - "Articulating an aspirational set of values is OK as long as the values are believable and authentic. They must embody a genuinely shared goal with a total commitment to making it happen, and not just be a wish list."

GETTING EMPLOYEES INVOLVED

Perhaps the most important driver of success whether changing or reinforcing your culture is true involvement. If you want your values to be authentic, you must involve employees. You need company-wide participation to find common ground and common language. "A team of executives who want to turn up the volume on 'friendly' towards customers, will fail if front line employees feel that 'speed and efficiency' are seen as far more important by the business", says Jeremy Starling, Managing Director at INVOLVE. "No involvement, no commitment," agrees Paul Samuels, former Group Internal Communications Director at market research firm TNS. "No company should be arrogant enough to push its values onto employees." He advocates focus groups and Open Space technology as ways to uncover authentic values and get employees involved from the start. "Look at your values and ask yourself: 'Is this real?'" he adds. "If it's not real, it's not worth doing."

DULL OR DIFFERENTIATED?

The 'same old same old' nature of the values themselves can also render them ineffective. Corporate think-a-like values such as 'professionalism,' 'integrity'

or 'customer centric' are so common they will hold little water for the average front-line employee. Jeremy Starling adds, "Putting customers at the heart of your Company is a basic part of any viable business, not a value." However, what really drives differentiation and competitive advantage – and can help tackle employee cynicism – is not the wording of the values but how those values are actually brought to life. After all, if 20,000 employees can recite a checklist of five corporate values, it doesn't necessarily follow that they will all start behaving differently. Ask yourself, is anything actually different as a result of the values being strongly held? And can people see those differences every day? Collins and Porras also believe that values are not "an exercise in wordsmithery." The role of values is "to guide and inspire, not to differentiate," they say. It is actions, not words, that will make a difference.

MAKE THE CHANGE

Embedding values is often wrongly viewed as a communication challenge, with the focus on raising awareness and understanding, rather than as a behaviour change challenge. As a result the values lack credibility with employees, according to Jeremy Starling - "If you espouse 'pioneering' as a value but people are penalised for taking risks, or they keep coming up against inflexible internal processes, this says something about how serious you are." Role-modelling by leaders is critical and fundamental. "Active support from leadership is key", says Russell Grossman, Director of Communications, Department of BIS. "Communications departments are often under pressure

CASE STUDY 2 INVOLVING ALL EMPLOYEES IN 'HOW' TO DELIVER THE NEW BRAND AT LV=



The leadership team at LV= (The UK's largest mutual financial services provider, founded in 1843 as Liverpool Victoria Friendly Society) decided the brand needed to evolve to make it more relevant for today.

Nigel Snell, ex communications director says: "To succeed, our employees needed to have real ownership for our new values so that they could bring them to life in their work." INVOLVE was brought in to include all employees in the change and provide them with the right balance between the 'what?' 'why?' and 'how?'

During a series of live experiences, teams briefed initial, top-level ideas for 'how' to bring the values to life into visualisers and graffiti artists. These were transposed on to giant murals and then put on permanent display in prominent locations – such as reception areas, meeting rooms and inside lifts – within their Bournemouth offices. Teams then periodically regrouped to add further detail and the murals were updated. This maintained the momentum and ensured continued awareness for the actions employees felt they needed to follow in order for LV= to deliver.

Nigel Snell reflects, "By using genuine employee involvement, rather than standard 'engagement' activity, LV= has changed in a way that would never have been possible had we just designed a classic communication campaign."

RESULTS

- All LV= employees feel they have a 'high' degree of ownership for 'external' rebrand
- 31 per cent improvement in employee confidence and motivation
- 22 per cent improvement in feeling proud to be part of LV=
- New business and renewals both up in Life and General Insurance
- 2.0 per cent fall in employee turnover



just to produce something glitzy," he says, "but with values, the key intervention is to change the behaviour of senior leaders." Leadership guru Marshall Goldsmith³ notes that leaders' "actions will say much more to employees about our values than our words ever can." Starling agrees, "With values more than anything else, leaders are always in the spotlight. As the company succeeds in re-enforcing their values, leaders will come under ever increasing fire for even minor values violations. The best conceived values programme in the world will fall over if the CEO doesn't say 'good morning' to people in the lift."

STARTING A CONVERSATION

Conversations rather than posters with geese also help values resonate with individuals. "If an employee is told they will be rewarded for living a value of 'being open and honest', says David Matthew, partner at INVOLVE, "a conversation needs to happen around how they can do that in their day-to-day role and what the specific results of this behaviour could be". He adds, "You can use values to

get 40,000 people rowing in the same direction – and that's a pretty powerful way to speed up a journey." At insurance company LV=, regular, real-life examples help link values to behaviour and give employees meaningful, snapshots of values in action. This process of gradually weaving values into the DNA of an organisation is what Grossman refers to as 'socialising the values.' This, he warns, "requires an internal communicator with tenacity and resilience."

WHERE'S THE VALUE?

So, is there any value in corporate values? Those values that are simple, authentic, meaningful and reinforced by everyday behaviour from the top have the potential to align and unify a workforce. But a checklist of flowery statements without consistent action to back them up will fool no one. Whether you are reinforcing your existing culture or trying to evolve it, values are not a quick fix – you've got to be in it for the long haul. If you want to get value out of your values – and keep the bull***t alarm silent – keep them real.

"THE FUTURE WILL NOT BELONG TO 'MANAGERS' OR THOSE WHO CAN MAKE THE NUMBERS DANCE.

THE WORLD WILL BELONG TO THE PASSIONATE, DRIVEN LEADERS-PEOPLE WHO NOT ONLY HAVE ENORMOUS AMOUNTS OF ENERGY BUT WHO CAN ENERGIZE THOSE WHOM THEY LEAD THROUGH WHAT THEY BELIEVE IN AND WHAT THEY STAND FOR"

JACK WELCH, FORMER CEO, GE.

FURTHER READING:

¹ Living Culture: A values-driven approach to revitalising your company culture, by Jan Thornbury, latest edition 2000.

² Built to last: Successful habits of visionary companies, by Jim Collins and Jerry I. Porras, latest edition published in 2005.

³ What Got You Here Won't Get You There: How Successful People Become Even More Successful, by Marshall Goldsmith and Mark Reiter, latest edition published 2007.