HR^N Paper

Can values add value?

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'Values' are all around us, especially these days in relation to employing organisations and behaviour at work. Corporate websites often proclaim 'Our Values' although, as we will see below, many of them look pretty similar. Values sometimes also appear in recruitment information and other people management processes. Being seen to 'Live the Values' is a modern requirement for getting what you want, such as your performance bonus, or promotion.

It is especially noticeable that the volume on values is turned up whenever some kind of corporate scandal is exposed. There is a steady stream of these events and the negative publicity they now generate leads to massive reputational and financial damage. So it's no surprise that even in the hard-nosed world of executive reward, The Financial Reporting Council (FRC) has strengthened its emphasis on the role of Boards in establishing the right '*tone from the top*' in terms of culture, values and ethics (FRC, 2014).

But are organisational values just lists of words? How are they different from all the other lists kicking around organisations? Where do the words about values come from? How do they reflect changing business priorities? Above all, can values get employees to behave differently?

Deep and unchanging beliefs

Many commentators see values as one of the most important things about an organisation. A value, however, is no more than an idea or a belief. The term '*enduring belief*' comes close to the mark (Rokeach, 1973). So values are slippery things to deal with. It is generally agreed that values are 'deep-seated', in other words that they lie beneath some of the more visible aspects of an organisation such as the ways in which people behave, the way decisions are made and so on.

Deutsche Post (2004) defines a value as '*an orientation or an idea that an individual considers correct and important*'. They see an organisational value as '*the common denominator, in an organisation as in a company, or that which people consider worth striving for in this context*'.

Jim Collins (2000) sees values as both '*deep and unchanging*'. This contrasts with other high-level statements about business strategy, policies and so on, which certainly would be seen as changing over time. The purpose of the organisation (sometimes expressed as vision and mission) and its values are taken to be the aspects that provide continuity and a guide to shorter-term decisions.

Some organisations do not use the term 'values' much but tend to talk about 'principles.' For example, John Lewis is certainly a values-based business and has an unusual governance and ownership structure. It uses six *'principles'* to capture its beliefs and intentions. Four of these are arranged in relation to its different stakeholders: members (ie staff), customers, business relationships and communities. The other two define its ideas about power sharing and profit. Ideas often taken to be values, such as integrity, mutual

respect and so on are housed within these principles along with more practical aspects of governance, staff reward and so on.

Google (2016), in its characteristically slightly playful style, chooses to express *'Ten things we know to be true'*, including *'Focus on the user and all else will follow'* but also *'You can be serious without a suit.'* This set of beliefs rather powerfully conveys much of the Google culture as well as 'beliefs', including a wide approach to employee benefits.

So organisations can certainly have values without necessarily listing them under a heading called 'values'. However expressed, values and/or principles act as a bridge from the vision, mission, or purpose of the organisation (why it is there) to the culture of the organisation (how people behave) and so through to how employees can expect to be treated and what is expected of them.

Can organisations 'believe'?

Organisations certainly have cultures: patterns of behaviour and ways of doing things. But do organisations have beliefs? Beliefs really reside in the minds and emotions of individuals and individual values are influenced by early life experiences. In that sense the values of organisations are often seen as stemming from the beliefs of their early owners or leaders. So is it really practical for organisations to try and tell employees what to believe through lists of values?

Effective leaders do not really think they change their values according to where they work. Rather, they seek organisations to work for that fit their personal value systems. They also quit organisations where their own values are in deep or persistent conflict with the behaviour they experience around them (Tamkin et al, 2010).

This brings us to two rather uncomfortable observations on organisational values:

- Values are already there. You can't sit down and write them and hope they become true.
- They are there in the people you already employ and especially in those who most fully enact the purpose of the organisation.

> *'You cannot 'set' organizational values, you can only discover them. Nor can you 'install' new core values into people. Core values are not something people 'buy in' to. People must be predisposed to holding them. Executives often ask me, 'How do we get people to share our core values?' You don't. Instead, the task is to find people who are already predisposed to sharing your core values. You must attract and then retain these people and let those who aren't predisposed to sharing your core values go elsewhere.'*
>
> Jim Collins (2000)

Perhaps for this reason, some organisations choose to express their values largely in terms of the kinds of people they employ. For example, the United Nations does say its values are integrity, professionalism and respect for diversity. Its website, however, foregrounds: *'We want people with integrity. People who are fair, impartial, honest and truthful. We want dynamic and adaptable persons who are not afraid to think creatively, to be proactive, flexible and responsive.' (United Nations, 2016)*

Should values be distinctive?

When you look at the ideas that organisations list as their values, there are some common items and clusters. The Center for Values-Driven Leadership identified the values held by companies on the global Fortune 500 list (Ludema and Johnson, 2016).

Those most commonly occurring, in alphabetical order, were:

Accountability	Loyalty	Responsibility
Commitment	Openness	Safety
Diversity	Partnership	Service
Excellence	Passion	Social Responsibility
Honesty	Professionalism	Sustainability
Innovation	Quality	Team work
Integrity	Reliability	Transparency
Leadership	Respect	Trust

So what do we see in here? Some clusters seem to include:

- Ethical or moral concepts, eg honesty, integrity, accountability.
- Attitudes towards or ways of working with others, eg respect, openness, loyalty, team work, trust.
- Quality of work, eg excellence, professionalism, quality, reliability, service.
- Emotional attachment, eg commitment, passion.
- Longer-term or societal impact, eg social responsibility, sustainability.
- Future or improvement orientation, eg innovation.

Some items may carry a wide range of meanings. For example, responsibility may mean individuals being accountable and/or the organisation behaving responsibly towards its customers, its workforce or society.

Amongst all this 'motherhood and apple pie', one might hope that at least some would reflect the particular purpose and nature of the organisation.

Rolls-Royce, which builds engines that air passengers have to rely on, want to be '*trusted to deliver excellence.*' 'Trust', 'deliver', and 'excellence' seem quite resonant values in this case. If they do not earn trust through care, competence and high ethical standards, and their engines are not delivered with reliability and safety in mind, then they will not be seen as excellent and passengers may expect trouble.

Comparing a number of international development charities we see that *'accountability'* comes high on their lists, as does *'integrity'*. If a charity does not show it is accountable for the money it spends and is not honest in its dealings, then why would you or a grant-giving organisation want to support it? Likewise they mostly highlight *'respect'* for others. Differences only emerge round the edges. Christian Aid (2016), for example, includes *'love and solidarity'*. Médecins Sans Frontières (2016) expresses its values through principles and includes '*neutral and impartial'*, clearly key when you consider where and how they work in conflict situations.

Expressing values in behavioural terms

The jump from what an organisation says about values to what its employees do is of course a huge challenge. It is important is to concentrate on aspects of the business that stop people behaving in line with the values, and also on ways of creating more meaningful alignment between what happens and the espoused values.

Expressing values in terms of practical behaviours may help employees know what is expected. If employees themselves generate these behaviours they are more likely to be in straightforward language and apply to all staff. Such an approach was used by Guy's and St Thomas' NHS Foundation Trust (G&StT). Five values were illustrated by a range of behaviours for each value, generated by staff (G&StT, 2016). These were refreshingly down to earth. For example, '*I avoid hurtful gossip'* (under Respect Others), *'I am open, honest and say sorry when appropriate'* (under Act with Integrity), *'I explain my role and why I am here'* (under Put Patients First).

Taking a lead

> *'Articulated values of an organization can provide a framework for the collective leadership of an organization to encourage common norms of behaviour which will support the achievement of the organization's goals and mission.'*
>
> The Teal Trust, 2009

Leaders in organisations have a special role in 'living the values'. Schein (2010) – the guru of organisational culture – sets out how leaders create culture through their own behaviour, including what they pay attention to, reward, and role model. Leaders also

have plenty of scope for what Schein calls 'sustaining' culture through organisational systems and procedures, the stories they tell and formal statements they make.

Ludema and Johnson (2016) push further on leadership by advocating the CEO as having a role as Chief Culture Officer. This may sound corny to a British ear, but they are getting at something here. In essence, leaders can make the difference between values as just another list to something that really can add value.

The HR function can support leadership and use varied Organisation Development techniques to involve staff in articulating values; keep them front of mind and embody them in a range of people management practices – what Collins calls '*mechanisms with teeth*' – to make values count. Recruitment and early employment experiences are especially important in both selecting people who will already share your values and then positively reinforcing these once they are with you (Culliney and Robertson-Smith, 2013).

HR may also have a role in reminding leaders that lists of values should not be used to communicate lots of things they want to fix. If values are really deep seated, long lasting and lived, they should be messed with as little as possible and actively supported as much as possible.

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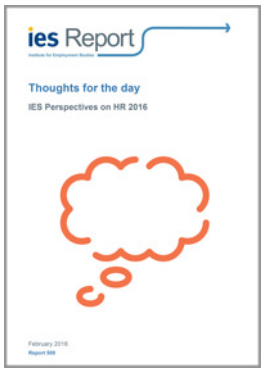

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