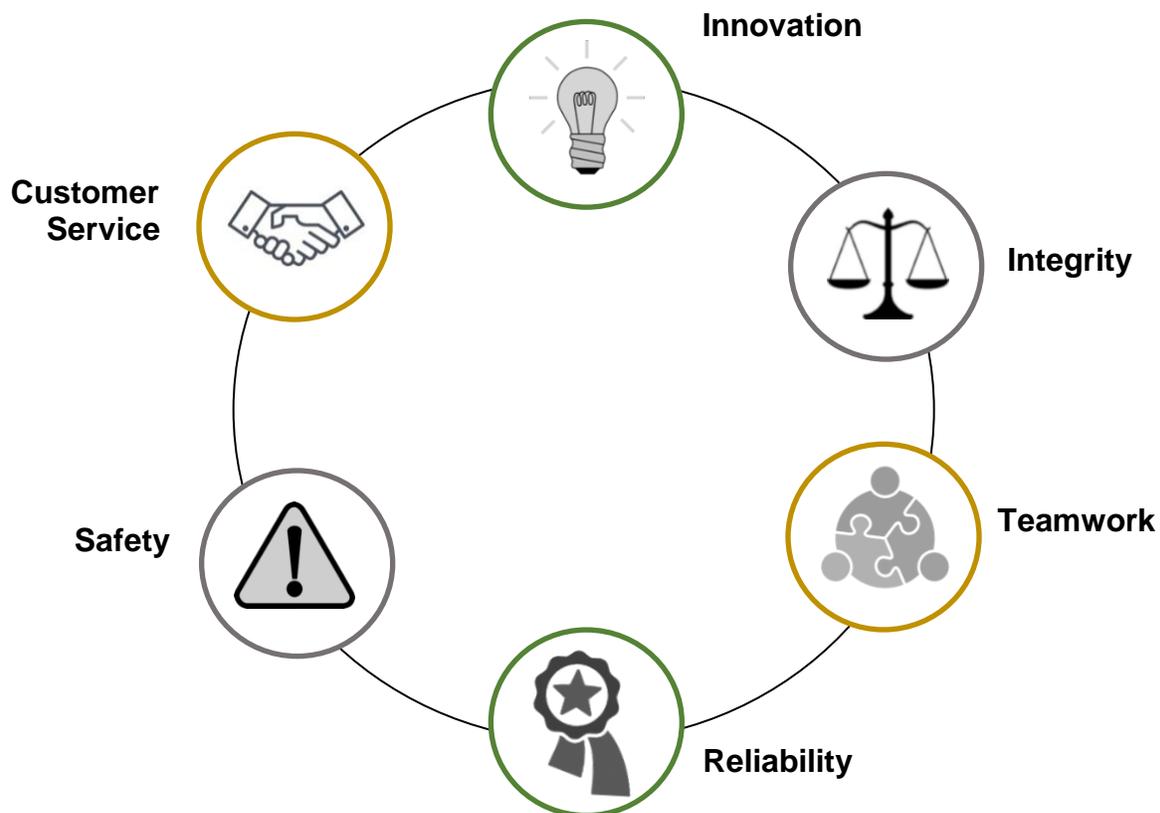


# DEVELOPING AN ORGANIZATION'S CORE VALUES

In high-performing organizations, people share a clear understanding of the organization's core values. This tool helps people identify and develop their organization's core values.

What do we mean by the phrase "organizational core values?" They are the things that are essential to the organization's success. The graphic below highlights some examples of core values.



An organization's values can be difficult to define precisely. We are surrounded by different value systems – including our personal values, our community's values, and the values of the larger society to which we belong. It can be difficult to sort through them all and be clear about the organization's values. The question we ask is: What is most important to the organization? What does it value most? Is it customer service? Or reliability? Is it financial sustainability? And what do we mean by these terms? In order for the values to be useful, the meanings must be clear.

We've found that it helps to link core values to more specific and tangible behaviors, using what we call "we statements." Here is an excerpt from one organization's core values:

Core Value	We Statements
<b>Integrity</b>	<ul style="list-style-type: none"> <li>▪ We keep our commitments.</li> <li>▪ We are truthful in our communications.</li> <li>▪ We adhere to relevant professional standards.</li> <li>▪ We take personal responsibility for our work.</li> </ul>
<b>Teamwork</b>	<ul style="list-style-type: none"> <li>▪ We treat one another with respect.</li> <li>▪ We encourage, appreciate, and reward excellence in ourselves.</li> <li>▪ We communicate with one another in a way that enables us to work effectively and to stay informed.</li> <li>▪ We communicate our expectations clearly, constructively, and promptly.</li> </ul>

Here is another example:

Core Value	We Statements
<b>Innovation</b>	<ul style="list-style-type: none"> <li>▪ We re-conceptualize issues to discover practical solutions to hard problems.</li> <li>▪ We challenge prevailing assumptions when warranted and suggest better approaches.</li> <li>▪ We create new ideas that prove useful.</li> <li>▪ We keep ourselves nimble by minimizing complexity and finding time to simplify.</li> </ul>
<b>Integrity</b>	<ul style="list-style-type: none"> <li>▪ We seek what is best for our company, rather than what is best for ourselves or our team.</li> <li>▪ We are ego-less when searching for the best ideas.</li> <li>▪ We make time to help employees, even if it impacts our personal time.</li> <li>▪ We despise "information as power" attitudes; rather, we share information openly and proactively.</li> </ul>

### **Developing core values and "we statements"**

The process of developing core values should ideally engage a broad array of people across the organization. A planning team representing leaders of the company should take responsibility for figuring out the process, making sure that managers and employees are engaged, and drafting various iterations of the core values and "we statements." Once the team has gathered sufficient feedback, the core values should be finalized and then broadly communicated by the company's leadership.

Here are three prompt questions that can be used to facilitate feedback and solicit input into the core values and "we statements."

1. Assume that values are the things that an organization considers most important. What do you think are the fundamental values that this organization must uphold in order to be successful?
2. If this organization could speak for itself, what do you think it would say is essential to its success?
3. Given the values you've articulated, what are the daily behaviors that people need to manifest to uphold each of these values?

### **Implementing the core values**

Once defined and communicated across the organization, the core values should help inform how people make decisions. Leaders should model the way by asking: "How can our core values guide us in making this decision?" For example, if the company is considering alternative investments in new information technology or new safety equipment, its leader might ask: "Which investment is most in alignment with our core values?"

If your company is serious about its core values, then it should be serious about hiring and promoting people who exemplify them. The core values and "we statements" should inform the recruitment and hiring process, evaluations of employees (including senior managers), and promotions.

Core values should also be communicated to your customers, so that they know what your company stands for and what it considers essential to its success. These should not be mere window dressing. If exceeding customer expectations is a core value, then say so, but also show exactly how that's being realized throughout the company. If being financially sustainable is a core value, then say so, but also define what that means in terms of investments in the organization and employee well-being. The act of committing the organization to a well thought-out set of core values helps build customer loyalty and trust.

### **Measuring the core values**

Since core values define what is essential to the organization's success, it makes sense to invest in measuring whether the core values and "we statements" are being observed in practice. Measuring the trend over time can reveal valuable information about whether the organization is aligned around its values.

Some core values, like customer service, are relatively easy to measure. Others, such as ethical behavior and teamwork, are a bit trickier. But all of them can be measured, typically via surveys of customers, employees, and other stakeholders.

Below are examples of two core values and related performance measures:

Core Value	Related Measures
Customer satisfaction	<ul style="list-style-type: none"> <li>▪ Customers say that requests are met in timely manner.</li> <li>▪ Customers say they are very satisfied with the services or products.</li> <li>▪ Customers say that the service they received exceeded their expectations.</li> </ul>

Core Value	Related Measures
Ethical integrity	<ul style="list-style-type: none"><li>▪ Employees report that their managers behave with integrity.</li><li>▪ Employees report that their managers invite feedback about themselves and are open to receiving feedback.</li><li>▪ Employees report that managers behave honestly.</li></ul>

### **Conclusion**

In conclusion, the work of developing an organization's core values is not easy. But the payoff is big: Having a clear set of core values and related "we statements" is vital to communicating to people what is and is not acceptable.

Multiple studies have shown that values-driven companies attract and retain talented people. They appreciate the culture. They appreciate the sense of empowerment. "So long as you make decisions consistent with our core values and priorities, then our leadership will support you one hundred percent."

Ultimately, a well-structured set of core values forms the DNA of a high-performing organization, where people view themselves as stewards of something more important than themselves and make investments in sustaining the success of the organization. That's the long-term payoff of having a clear set of core values.