



DOES YOUR BUSINESS PASS THE 'ONE VALUE' TEST?

One value to move the needle

What value would you choose if you could only focus on one to start? UGM believes 'inclusive' would be a good choice for modern organisations. Here's why.

1. First up, most organisations have at minimum very basic levels of the most fundamental principles of community. Behaviour is, at the very least, essentially civil and lawful.
2. Ability to make a valued (appreciated) contribution is a powerful motivator. It actually topped BCG's recent list of what makes people happy at work. An inclusive culture encourages and appreciates contribution.
3. People are better educated and more skilled than ever before. Yet organisations are also suffering from great skills shortages. An inclusive culture better utilises available skills and talent.
4. Organisations are also under pressure to work more effectively – 'do more with less'. People in inclusive cultures are motivated to do their best work and get the best outcomes for the organisation – since that's usually win-win!

Values - recorded but not lived

Most organisations have a list of values. For some, that may be because the topic featured as part of the strategic planning process. To move on to the next steps in the process, values needed to be listed. For others, the values may have come about because someone felt a list would look good on the website. Others still may have arisen because the template for the latest business policy had a spot, early on, with the intention of giving a bit of additional context to policies and processes. And, a few organisations will have generated their values intentionally, through a carefully thought out process involving their people.

Consequently, although most organisations have a list of values, only very few can claim to be truly values-driven. That is, their stated values guide the organisation and the actions of its people on a daily basis. Rather, most could claim a list of values on the website, wall or manual where, at best one or two might be intentionally 'lived'. For example, the company that has six values but only truly focuses on safety (and that, surely, has nothing to do with the senior management KPIs relating to LTIs).

In many cases, most in the organisation wouldn't even be able to name the listed values, let alone see them as an invisible hand guiding business culture. If that's the case, does it matter?

Do values impact the bottom line?

In a word, 'yes'! In fact, 2014 research by the Institute for Corporate Productivity (i4cp) found that high-performing organisations were twice as likely as low performers to have strong shared values. Further, they were 3x more likely than the low performers to focus on their shared organisational values.

In another 2014 study, BCG surveyed over 200,000 people about happiness on the job. 'Company values' emerged as one of the top 10 factors that people felt seriously influenced their happiness at work. Importantly, we know from other research that happiness at work has a big impact on engagement. Engagement, in turn, impacts discretionary effort. Significantly, it's those organisations where people go 'above and beyond' that make up the top performing organisations. So, further evidence that organisational values do matter, not only to staff but also to the bottom line.

Let's also remember that values are nothing more than themes or principles describing 'the way we do things around here'. Collectively, of course, that is organisational culture. And culture, a 2015 McKinsey research study shows, is a key focus area for CEOs. CEOs who transitioned successfully into their new jobs were more likely than others to report that they had devoted sufficient time to

understanding the organisation's culture. Culture also emerged as the area that most challenged transitioning CEOs (more so than strategy and vision, team or self). One might reasonably extrapolate that if values and culture challenge CEO efficacy, they would certainly impact most other roles in the business.

Do the values really need to be recorded?

Organisations, of course, don't need to have a written list of values to have an organisational culture. Whether or not it's a focus, or even considered, every organisation has a culture. It's 'the way we do things around here'. Equally, the lived culture will have themes, even if only implicit.

The big question is whether those in charge are happy to take 'pot-luck' with implicit values determining culture. Alternatively, they might choose a more strategic approach to developing and sustaining a culture that is best for desired business outcomes. A few core values should be the strategic cultural markers. Values are beacons for the kind of culture ('how we do things around here') that helps successfully deliver the rest of the business strategy.

Individuals' personal values vary quite broadly and are also often implicit (people live by them, but may not recognise what they are, exactly). For this reason, there is a much greater chance of values alignment at an organisational level when values are expressly stated, rather than being informally implied or deduced. Otherwise, interpretations will vary, as will the relative priority or importance attributed to each.

To be useful, values need to be lived

If you're in an organisation that doesn't have values or in one of the many that has a rather 'unused' list (no difference really), you might not be able to bring about wholesale change immediately. But, you can make a difference by starting small.

Is there one – yes, that's correct, only one – positive value that you feel the organisation lives by or could live by. Behaviours associated with that value should have a significant impact on business outcomes if 'lived'. If it's a good fit, the sell should be easier.

Identify all the behaviours (positive and negative) associated with the particular value and get people to commit to a few of those behaviours to start. Slowly, expand the repertoire. At first, you may need to focus on your team only. Confirm, through practise, that it's a worthy strategic marker for culture. Once it's lived (evident) in your own team, work on spreading the commitment to that single value to other parts of the business. Over time, you might identify other values – ideally no more than five or six – that could benefit business. Then it's 'rinse and repeat'.