
HOW TO AVOID THE 4 MISTAKES “VALUES-DRIVEN” ORGANIZATIONS MAKE

Alan Williams

In the six years since the first edition of *The 31 Practices* book was published, the topic of values has caught the imagination of people all over the world. In the second edition of the book in 2018 (Chapter 2, Values), we described how the inaugural [World Values Day](#) took place in 2016 and that people in more than one hundred countries took part in October 2017 and 2018. Putting values at the centre of everything an organization does is the starting point to creating a strong and authentic brand. This is particularly relevant for service organisations where people are a core element of their offer.

Simon Sinek's excellent and popular [Golden Circle concept](#) is a good place to start understanding how this is happening. Simon explains that it is not *what* people do that inspires them. Instead, it is the *why* (Purpose) and *how* (Values) that achieve emotional engagement.

Using Values as a Guidepost for Alignment

[PwC's CEO Survey](#) of 1,400 CEOs in approximately 80 countries highlighted that 75% of CEOs are changing their values and code of conduct to respond to stakeholder expectations in an environment of unprecedented change. It reported how values can provide a guidepost for creating internal cohesion to support achievement of organisational aims and assist in strategy execution.

“96% of CEOs agree that it is important for leaders to take time to explain how values influence business decisions.”

The Financial Reporting Council has been perhaps the most influential source of governance advice around the world as originator of the widely copied Corporate Code in 1992. In 2018, the FRC tore up its previous code and replaced it with a radically rewritten version for consultation that stresses long-term success and proposes a new requirement for businesses to test their values across the business, from top to bottom.

The [new revised text](#) is as follows:

“Directors should embody and promote the desired culture of the company. The board should monitor and assess the culture to satisfy itself that behaviour throughout the business is aligned with the company's values. Where it finds misalignment, it should take corrective action. The annual report should explain the board's activities and any action taken.”

Whilst the FRC itself is being replaced by a new regulator, The Audit, Reporting and Governance Authority will have enhanced powers and a brief for "strong" leadership to "change the culture" of the auditing sector so there is a real opportunity for the topics of culture and values to be placed squarely at the centre of corporate governance.

Putting Values into Practice

We are living in extraordinary times — [volatile, uncertain, complex, ambiguous](#). The pace of change will never be this slow again. Many traditional approaches are no longer relevant and there is a new business agenda emerging. It has become fashionable for organizations to describe themselves as values-driven and yet, for the stakeholders (employees, customers, service partners, local communities, investors, members, citizens) of some, if not many, of these organizations, there is a disconnect between the aspirational words and the experienced reality. Values are now mainstream; it is no longer about a framed plaque on the wall. Values are the organisation's guiding compass and are most effective when they inform everything else an organisation does.

“In theory there is no difference between practice and theory. In practice, there is.”– Yogi Berra, baseball coach

So why is it such a challenge to [be a values-driven organisation...in practice](#)? How can you avoid the four mistakes outlined below that these organizations often make? Consider the questions in each section and how they relate to your own organization.

1) Lack of clarity

Clarity means identifying the true values and clearly describing what they mean.

- Have the values been decided by a few senior leaders or a branding or communications consultancy?
- Do the words chosen feel completely disconnected from the reality of the organization?
- Is the values language soulless, ambiguous, management-speak?
- Is there confusion about what the values are and what they mean?

2) The values exist in theory rather than in practice

“In practice” means putting the values into action throughout the organization.

- Are they hidden on the website or on a values presentation—or even displayed on an impressive plaque on the wall—but not lived?
- To what extent are they expressed in policies and processes?
- Are they referred to when making decisions about the direction and development of the business?
- Are they reflected in how the organisation spends time and resources?
- How active are leaders in recognising examples of values-driven behaviour?

3) Insufficient assessment of impact

Assessment means measuring the impact the values have internally and externally.

- To what extent do employees give each other constructive feedback and is everybody held accountable?
- How are the perceptions of employees, customers, service partners/suppliers and other stakeholders sought, measured, shared and acted upon?
- Are the values and culture metrics and achievements publicly reported alongside financial and other business indicators?

4) Lack of a development mindset

Development means learning from efforts and continuously developing the way the values are brought to life in everything that happens in the organization.

- Do people take time to reflect on key decisions, consciously referring to the values?
- What is the approach to learning, individually and collectively, from all the available information (including perceptions) to live the values more fully?
- How prevalent is open and robust debate to tackle the complexity of competing values?
- How are policies and processes reviewed and updated to reflect learning?
- How are learnings shared with other organizations and groups, and lessons learned from their experience?

Committing to a Values-Driven Path

If you were to reflect on these four mistakes and ask yourself the question, “Which is the most important one to address?”, which one would you choose? It’s an unfair question because all four challenges need to be addressed...all at the same time. If any one area is not addressed, then the organization will not be able to function in a truly values-driven way.

The question asked at the start of this post was, “So why is it such a challenge to be a values-driven organisation...in practice?” Perhaps you now have a better understanding of why this is the case. And yet, none of these four challenges is impossible to overcome. Far from it. Improvement across the four areas does not involve a huge investment of time, money or other resources. What it *does* take, though, is a collective commitment led from the most senior level and throughout the whole

organisation, followed by a relentless determination to follow a values-driven path. Sustained success requires sustained effort, and leaders need to lead...in practice.

A Note on World Values Day

[Global Values Alliance](#) will be launching a Values Pledge in October 2019 to coincide with [World Values Day](#). The Values Pledge shows organisations how they can become values-driven. Signing the pledge gives an important message to customers, employees and others that you are clear about what really matters to you and practice what you preach. If you are interested in signing the Values Pledge or taking part in the beta test, you can contact the Global Values Alliance at <https://valuesalliance.net/join-us/> or Alan Williams at alan@servicebrandglobal.com.

The main theme for this year's World Values Day is Values and Wellbeing. It is an opportunity to think about our most deeply held values and to act on them. Living our lives aligned to our values is essential for our own wellbeing and helps the wellbeing of those around us. When we are out of alignment, our wellbeing suffers.

What will you be inspired to do this World Values Day?
Get involved at <https://www.worldvaluesday.com/>.

Alan Williams

Faculty

Alan Williams, SERVICEBRAND GLOBAL, coaches leaders of progressive service sector organisations, internationally and in the UK, to deliver values-driven service for sustained performance. He created the 31Practices approach to translating values into practical day-to-day behaviour and is a published author and speaker whose award-winning projects have delivered measurable business impact across a balanced scorecard.

Alan is a past President of the Meetings Industry Association, a Fellow of the [Institute of Hospitality](#), a Board member of [BQF](#), a Founding Faculty Member of Culture University, a Steering Group member of the [UK Values Alliance](#), and Founder of the Global Values Alliance.