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HR's role adding value to corporate values

Values are the heart of an organization, so leaders must walk the talk

BY CORI MAEDEL

Most senior leaders prefer employees who are inspired by a company's mission and values and integrate them into all they do, according to *Value of Corporate Values*, a 2008 survey of 150 senior leaders in the United States conducted by LRN.

However, one-fifth of these leaders do not consider employees' alignment with corporate mission and values when scaling back the workforce. So when times are tough and purse strings start to strain, the focus of a CEO can understandably drift to other ideals — those more tangible than aligning action with values.

HR professionals are in the unique position of putting in place systems and practices that integrate values and culture throughout an organization, and truly have an impact on business success. But how can they keep CEOs and senior leaders on track to ensure values remain top of mind at all times and in all actions?

Defining values

Values live at the heart of an organization — they give it purpose and are the bearing points upon which HR can always rely. Values possess the following characteristics:

- They ultimately define every individual's membership in an organization.
- They establish "where we want to be" or the desired goal of an organization.
- They fulfil the need for people to belong to something of which they can be proud.
- They create a committed workforce.
- They are a genuine extension of a CEO's or senior leaders' personal values.
- They are instilled not by what is said but what is done.

If these are not yet defined, there's no need to panic — they already exist but might not be written down. The best place to start is with the CEO because, more often than not, values are conceived by the company's creator.

Start by asking the following questions:

- Who are we?
- What do we believe in?
- What inspires us?
- Where are we going?
- What will it look like when we get there?

Try to summarize these into statements that get down to the company's core and reflect deeply held, non-negotiable principles. It's also a good idea to stress the dangers of not living up to these values, which include mistrust, cynicism, dishonesty, a demotivated workforce and low staff retention.

Having achieved clarity around company values, it's time to translate these into action. A majority (85 per cent) of 365 companies surveyed in 30 countries in 2004 said their companies rely on explicit CEO support in reinforcing a company's ability to act on its values. Of this percentage, 77 per cent said CEO support was one of the most effective practices for reinforcing a company's ability to act on its values, according to *Deriving Value from Corporate Values* by the Aspen Institute and Booz Allen Hamilton.

It's not enough for CEOs and leaders to only show the vision or talk to it — they must walk their talk, demonstrate that all business actions and behaviour explicitly support and reinforce company values and culture. They must also help create clarity around these values for their teams and translate this clarity into action by encouraging employees to adopt these principles.

Effective communication is about dialogue. Invest the time to keep employees well-informed about how the company is doing in reaching its goals and of any business developments. If nothing else, start with regular team meetings and one-on-one progress reviews. It's about being sincere and actively listening. Offer encouragement, guidance and support, and provide regular, constructive feedback. Promote teamwork and relationship-building, and reward and recognize good performance.

Many companies are unable to connect values with the bottom line. Instead, they operate on instinct, knowing somehow they are making a difference. But regular, effective communication and values-based action start at the top and cascade down. Combine this with integrated values and you have a company that is actively driven towards its goals and a workforce that is well-informed, motivated and productive.

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MAKING VALUES REAL

Covert versus overt values

Often, an organization has two sets of values. One is public, well-articulated and clearly expressed in communications materials, posters, annual reports, job interview guidelines and CEO speeches.

Employees see these but don't always know what they mean. These overt, or above-ground, values aren't always the real values of the organization, while a second, covert, or below-ground, set of values actually may have more meaning and impact.

Those values actually define what the organization cares about, how it evaluates success and how it promotes or reprimands.

Covert values are the behaviours, norms and practices leaders impress upon employees by what they do rather than what they say. They are the beliefs and actions employees pass on to each other by acknowledging what's acceptable. When overt and covert values are split, people will say, "Values don't matter."

In some rare and happy organizations, overt and covert values are one and the same. They may not be articulated with the same exact words, but the gist and the impact are identical. Everyone, from the CEO to the store clerk, shares a common understanding of right and wrong and how to act or make a decision in whatever circumstance. The same principled understanding can be used to evaluate a strategic plan or how to handle customer complaints.

To make values real, they must reflect the reality of the workplace, in terms people use to describe their own work. Behavioural statements are the ideal way to capture and articulate a value. Values are promoted by hiring people who demonstrate them, and by promoting and rewarding people who live them in all circumstances, regardless of the results. There is no easier way to make values covert than by rewarding people who do something contrary to the values.

Values should be integrated into all aspects of HR management. But they should also be used as a business tool when setting and modifying a strategic business plan.

As organizations grow in size, complexity and geographical span, values are more important than ever. It is impossible, and undesirable, to micromanage every customer interaction, every performance review and every corporate softball game. But if the values are commonly understood, employees will speak up when values are violated and celebrate when values lead to success.

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