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Business values

What are business values?

All types and sizes of business develop formal statements of business values, to enhance their business identity, marketing plan, and the way they manage for better performance and business outcomes.

Values are what we care about most and give priority to, and are therefore at the core of the business. They're what your business stands for and act as a rudder to steer the business, management and employees in the right direction. A clear set of values, agreed and understood by management and employees, is a critical factor in business success.

Business values can be defined as:

- Your company's standards of behaviour - what is acceptable business practice. From a customer viewpoint, values are the kind of service they can expect to get when they deal with your firm.
- The beliefs and attitudes you and your staff have in common about a whole range of different aspects of organisational life: how people should behave; the way managers should act; how work should be done; and how staff should treat each other at work.
- The principles you stand for personally. The qualities great leaders and good staff possess are integrity, consistency, perseverance, determination, innovation, respect, passion and fair-mindedness.

Values are visible in the everyday actions of managers and employees. You can identify your business values in action by looking at:

- How is your business organised? How are business decisions made and priorities decided?
- What do your customers say? How do your employees treat them? How do employees treat each other?
- What do employees say it's like working here?
- How do you relate to your employees? What do they say you're like to work for as a boss?

Visions and values go hand-in-hand and can sometimes be the same. Both are built around key themes your business wants to have visions or values statements about - things like quality service, staff participation, team or customer relationships, business improvement.



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What are values used for in business?

In a 2004 Global Survey of 365 companies in 30 countries, Booz-Allen-Hamilton with the Aspen Institute, looked at how organisations are using values for better business performance.

Main findings from the survey were:

- A focus on ethical behaviour - of the 89% of companies with written values statements, 90% specified ethical conduct as a principle.
- Most companies believe values reinforce customer relationships, reputation and staff commitment and dedication.
- Few companies think values directly affect revenue growth - but most haven't tried to measure return on values (ROV).

As the head of your business, the survey also says that your behaviour matters in terms of modelling and communicating values. Why? Because it strengthens staff practice of turning values into positive actions and behaviour.

The Global Values Survey we've already cited tells us that more companies are taking action to turn their values into a competitive asset by engaging in values-driven improvement efforts like:

- Training staff in what they need to do to really act out key business values. For example, if one of your values is teamwork, provide training in how to work as a team.
- Selecting and promoting staff on their values, not just their job ability. For example, putting key values into your selection and performance standards.
- Finding ways to turn values into strategies that improve business performance. For example, removing restrictive rules that don't fit with stated values and developing new operating principles that fit better.

Reference: 2004 Global Survey of 365 companies in 30 countries, Booz-Allen-Hamilton with the Aspen Institute

Further information

The following fact sheets provide further information on these issues:

- Apply the principles of succession planning
- Business communications
- Business image
- Business planning
- Business process improvement (BPI)
- Business vision – introduction
- Develop a mission statement
- Develop a succession plan
- Develop business values
- Gain employee commitment
- Leadership - introduction
- Marketing plan