

## Creating Your Company Values and Principles

### In this application exercise, we will:

- Review the different types of values.
- Cover the process to develop meaningful values that reflect your organization's purpose and goals.
- Cover how we transform our company values into actionable principles.
- Use the planning process and table at the end of this document to create a set of values and principles for your organization.

### Different Types of Values

#### Core Values

These Values are the deeply ingrained principles that guide all of a company's actions; they serve as its cultural cornerstones. Core values are defined as being inherent and sacrosanct; they can never be compromised, either for convenience or short-term economic gain. Core values often reflect the values of the company's founders—Hewlett-Packard's celebrated "HP Way" is an example. They are the source of a company's distinctiveness and must be maintained at all costs.

#### Aspirational Values

These values are values that a company needs to succeed in the future but currently lacks. A company may need to develop a new value to support a new strategy, for example, or to meet the requirements of a changing market or industry. The CEO who claimed his company's core value was a sense of urgency, for instance, was substituting an aspirational value for a core one.

#### Pay to Play Values

These values simply reflect the minimum behavioral and social standards required of any employee. They tend not to vary much across companies, particularly those working in the same region or industry, which means that, by definition, they never really help distinguish a company from its competitors.

### How to Write Core Values

Writing core values is a valuable exercise that offers stability and guidance to many companies. Consider using these steps when establishing your company's core values to productively clarify and build your unique set of core values:

1. Brainstorm values
2. Group and eliminate
3. Distill core elements
4. Draft a statement
5. Finalize core values
6. Communicate the statement
7. Live the values

### **Brainstorm values**

The first step in establishing your company's core values is brainstorming potential principles. If it makes sense for your business, seek input from a variety of sources throughout the company. Ask current employees what they think the present core values are and what aspirational values they hope to see in the future. Create a comprehensive list of all current and potential values to review.

### **Group and eliminate**

Look at the full list of established values. Group similar ones and eliminate any you feel don't best represent your business or share too much overlap with others in the group. Work to establish roughly 10 values from your original list that truly represent your company and the work that you do.

### **Distill core elements**

From the list of 10, determine which of these are vital to the success of the company. For some businesses, that's three or four, while for others it's seven or eight. Whatever the number, ensure it's manageable as you'll want to put these values into action through training, internal communication, external communication, and brand establishment.

### **Draft a statement**

Use the final set of values you established in the previous step to draft your first core values statement. Often, these statements are a series of bullet points or numbered lists rather than a paragraph or series of sentences. Write a few drafts with varying levels of explanation alongside the bullets. See if you can refine the language to the absolute minimum necessary to convey the value.

### **Finalize core values**

Review the drafts with a focus group of upper-level management, other employees and customers or clients. Ask them for input on which draft of the core values statement best represents the business. Use the feedback to select and refine your core values statement until you have a final, ready-to-publish document.

### **Communicate the statement**

You must communicate your core values to your employees and your customers. Determine the best ways to do so for your business. The principles need to be communicated in a positive and appealing way, such as, "This is who we want

to be with our customers . . . this is who we want to be in our community . . . this is who we want to be with our various stakeholders . . . and this is who we want to be with you—our employees, but it’s going to take all of us if we are going to be successful.”

### **Live the values**

Finally, integrate your established core values into the everyday practices and procedures of the business. Make sure they’re widely available for review and commonly referenced. Making them a daily part of business operations ensures that the core values are at the center of the company’s mission.

### **Connecting Your Values to Principles**

Core Values may, or may not be, actionable. Guiding Principles, on the other hand, are inherently useful and actionable. These principles help ground the values and provide actions that embody the values of your organization. Using the Daniels Fund Ethics Initiative Principles provided below, we can see that the first value is “integrity.” The principle “Act with honesty in all situations” provides an action of an individual acting with integrity. When taking your values and turning them into principles, ask yourself. What does this look like to us? What actions exemplify someone embodying this value?

### **Daniels Fund Ethics Initiative Principles**

An organization can certainly use principles and values similar to the Daniels Fund Ethics Initiative Principles. These eight principles are timeless and can provide a strong ethical foundation for any company or organization.

#### **Integrity**

Act with honesty in all situations.

#### **Trust**

Build trust in all stakeholder relationships.

#### **Accountability**

Accept responsibility for all decisions.

#### **Transparency**

Maintain open and truthful communications.

#### **Fairness**

Engage in fair competition and create equitable and just relationships.

#### **Respect**

Honor the rights, freedoms, views, and property of others.

#### **Rule of Law**

Comply with the spirit and intent of laws and regulations.

**Viability**

Create long-term value for all relevant stakeholders.

**Values and Principles Template**

<b>Core Values</b>	<b>Principle</b>
Ex. Integrity	Act with honesty in all situations
<b>Aspirational Values</b>	<b>Principle</b>
<b>Pay-to-Play Values</b>	<b>Principle</b>

Sources for this Document:

<https://www.indeed.com/hire/c/info/how-to-write-core-values>

<https://hbr.org/2002/07/make-your-values-mean-something>