

If Your Values Are Not Action-Oriented, It's Time to Refresh Them

Teneo Insights / April 2024



Innovation, empowerment, excellence, safety and transparency. Companies have been citing these types of values ever since they started actively defining culture. They no longer work.

They don't help your company clarify what you stand for, appeal to current and future employees or explain how people should show up every day. Values should be tailor-made for each individual company and should not be easily copied and pasted onto any other company's website. Companies with individualized, action-oriented values have a stronger culture.

Values must clarify who you are, what you want to be and what it feels like for people working in your organization. If they don't, it is your responsibility as an executive to start over and define a new set of values.

Some of the highest performing companies such as Amazon (e.g., passion for invention, customer obsession), Nike (e.g., be on the offensive always, win as a team) and Coca-Cola (e.g., if it is to be, it's up to me, leverage collective genius) have long understood the need for action-oriented values.

Micah Alpern
Senior Managing Director
micah.alpern@teneo.com

Stephan Merkens
Senior Managing Director
stephan.merkens@teneo.com

And before you say, "That's easy for you to say," we know it's not. Getting leaders to think completely differently about how to approach, define and create values is incredibly difficult. It requires a radical change in mindset and approach from the way things have been done for years. The challenge is definitely worthy of the effort. Even if you are only able to move the needle halfway on the values this time around, it's progress, and there's no reason you can't keep working to refine them over time. Values are organic and should evolve and mature as your strategy does.

Before we get into what values should be, let's establish some rules on what values should not be:

- **One word:** One-word values are ambiguous, leaving them open to many possible interpretations.
- **Table stakes:** Words such as honesty and respect should not be values. These types of values are not unique to your company and should be expected of all employees at every company.
- **Difficult to add to a conversation:** You'll rarely find someone who speaks in one-word concepts.

Culture drives performance and is defined by behaviors. To do this, each company must define a purpose and a set of values that clearly states who they are as a company and how people should show up every day at work. Values should be:

- **Actionable:** A specific act that employees can demonstrate and use in day-to-day vocabulary.
- **Differentiating:** Individually suited to your company.
- **Memorable:** Values should be catchy and there should be no more than five or six. If employees can't remember the values, they are not going to live them.
- **Emotionally Appealing:** Exciting to your employees and market.
- **Measurable:** Can be measured based on a clearly defined set of standards.

Following this guidance directs companies to adopt values such as:

- Be Bold
- Run It Like You Own it
- Elevate Our People
- Stand Out and Stand Up

Employees can see, connect and engage with these types of values in everything they do. Everyone in the company should be exhibiting and using the values in their conversations and actions. In organizations characterized by robust cultures with behavior-based values, you constantly hear:

- "That's a good idea, but are we being bold enough?"
- "Here, we run it like we own it, so I will take charge and get this done."
- "How is this decision going to elevate our people?"
- "How are we going to stand out and stand up for our customers?"

"Action-oriented values in a company make expectations crystal clear, guiding employees on what behaviors help to achieve the company's goals. This approach boosts motivation, as employees see how their actions make a difference, leading to a more engaged and productive workforce."

Donald Knight

Chief People Officer of Greenhouse

Defining Values

While the C-suite should take the lead on defining values, employees are an integral part of the process. The key to getting this right is to create the values collaboratively with employees and to define the behaviors you want everyone to adopt within the values themselves. This means you need to create your values and define the desired behavior simultaneously. In a recent panel held by Culture Scope, the participants emphasized the importance of defining values in terms of specific behaviors you want to see and do not want to see across the organization.¹

Behaviors play a key role in establishing and defining the culture and are directly related to a company's values, but very few truly understand the role they play. Behaviors, plainly put, are the actions we want people to take both in their everyday working lives and during challenging situations. That's why it is incredibly important to develop both behaviors and values together. Grouping behaviors into related types often helps to inform the values. This concept should be built into all the steps of defining the culture, which includes:

1. Interviewing leaders
2. Deploying a culture survey
3. Conducting employee focus groups
4. Synthesizing the data to create initial culture artifacts (manifesto, purpose and values)
5. Facilitating an executive team alignment workshop
6. Testing culture artifacts with a sample employee group
7. Finalizing with a subset of the executive team, typically the CEO and CHRO

The interviews and survey results create a baseline for where the culture currently is and where people want it to go. The focus groups are used to dive deeper into the quantitative data and test the initial purpose and values statements in order to understand what will resonate with employees.

Words matter, which is why it is so vital that employees are involved throughout the culture definition process. Getting the right words in place will help your employees relate to the values and create an emotional connection for them.

The quantitative and qualitative data are synthesized to create a draft of the manifesto, purpose, values and behaviors. The manifesto lays out the full story of where the company wants to go. Storytelling is an essential part of spreading the desired culture, so getting this right and ensuring there is an emotional connection is vital.

In the executive workshop, the team reviews the data and the first draft of the culture artifacts. They undergo a series of exercises, including a behavioral exercise, to align on each of the elements and ensure the wording is exactly right. The final draft can be tested with a small subset of employees and then a final sign-off is typically held with the CEO and CHRO.

Once the values are finalized, the company must deploy a campaign to communicate them to all relevant stakeholders.

1. CultureScope Club 2024 Q1 Blog: Building evidence-based values frameworks

Deploying a Culture Campaign

Creating action-oriented values is a trending approach for leaders in more engaged companies as it allows them to create content to spread the values that employees can connect with on an emotional level. The new values must be built into every element of the organization (i.e., structure, processes, performance management, rewards), but for the purpose of this article, we are going to focus on the initial value-spreading campaign. Companies must apply a marketing mindset when deploying the campaign in order to ensure people are not only aware of and excited about the values but also understand them thoroughly, enabling employees to effectively live them. Culture campaigns to drive culture are second cousins to advertising campaigns – both have audiences, channels and content, but have a few interesting differences.

- **Audiences:** Your existing cultural hierarchy plays an important role. Think about the relationship between back office, manufacturing and sales for example – all three are integral to the business, but each has their own perceptions, cultural biases and understanding of their role.

- **Channels:** You might take for granted that email or the intranet is an ideal platform to run a culture campaign, but in some businesses, not all employees have unlimited access to corporate email. Therefore, multiple channels and formats must be leveraged. Those who work in manufacturing, for example, often don't have full access to email or phone. Also, remember that employees can be your biggest promoters, so make sure your content can be shared externally.
- **Content:** Audiences consume content in different ways based on a wide range of factors and often need content in multiple formats for messages to truly sink in. Videos often capture a lot of attention, but some may prefer articles or infographics, so be prepared to adjust your content plans accordingly.

Crafting a comprehensive content strategy is your optimal approach for a successful internal culture campaign. The time for ambiguous one-word values is over. Now is the time to create behavior-based values that elicit the actions you want employees to live every day.



Teneo is the global CEO advisory firm.

We partner with our clients globally to do great things for a better future.

Drawing upon our global team and expansive network of senior advisors, we provide advisory services across our five business segments on a stand-alone or fully integrated basis to help our clients solve complex business challenges. Our clients include a significant number of the Fortune 100 and FTSE 100, as well as other corporations, financial institutions and organizations.

Our full range of advisory services includes strategic communications, investor relations, financial transactions and restructuring, management consulting, physical and cyber risk, organizational design, board and executive search, geopolitics and government affairs, corporate governance, ESG and DE&I.

The firm has more than 1,600 employees located in 40+ offices around the world.

teneo.com