**Why to Have Them and How to Define Them**

In the modern business era, we constantly hear the terms core values, mission statements and culture and we have integrated them in the business language among many other terms. But what are company core values? Why are they so important? We are going to look at the importance of core values and why it is important to have core values in your organisation.

Core values are what support the vision, shape the culture and reflect what the company values. They are the essence of the company’s identity – the principles, beliefs or philosophy of values. Many organisations focus mostly on the technical competencies but often forget what are the underlying competencies that make their companies run smoothly — core values. Establishing strong core values provides both internal and external advantages to the company:

Core values help companies in the decision-making processes. For example, if one of your core values is to stand behind the quality of your products, any products not reaching the satisfactory standard are automatically eliminated.

Core values educate clients and potential customers about what the company is about and clarify the identity of the company. Especially in this competitive world, having a set of specific core values that speak to the public is definitely a competitive advantage.

Core values are becoming primary recruiting and retention tools. With the ease of researching companies, job seekers are doing their homework on the identities of the companies they are applying for and weighing whether or not these companies hold the values that the job seekers consider as important.

The big question is: “How do I find the core values of my organisation?” In his article, Aligning Action and Values, Jim Collins discussed that organisational values cannot be “set”; you can discover them. Many companies make the mistake of picking core values out of thin air and trying to fit them into their organisation; core values are not “one size fits all” or the “best practices” in the industry. True, you can hold the same core values as your competitors, as long as it is authentic to your company and your employees.

**What do Core Values look like?**

You may be wondering: what do core values look like? Below is a list of 10 core values that are common across organisations in different industries:

**Accountability**– Acknowledging and assuming responsibility for actions, products, decisions, and policies. It can be applied to both individual accountability on the part of employees and accountability of the company as a whole.

**Balance**– Taking a proactive stand to create and maintain a healthy work-life balance for workers.

**Commitment**– Committing to great product, service, and other initiatives that impact lives within and outside the organisation.

**Community**–Contributing to society and demonstrating corporate social responsibility.

**Diversity**– Respecting the diversity and giving the best of composition. Establishing an employee equity program.

**Empowerment**– Encouraging employees to take initiative and give the best. Adopting an error-embracing environment to empower employees to lead and make decisions.

**Innovation**– Pursuing new creative ideas that have the potential to change the world.

**Integrity**– Acting with honesty and honour without compromising the truth

**Ownership**– Taking care of the company and customers as they were one’s own.

**Safety**– Ensuring the health and safety of employees and going beyond the legal requirements to provide an accident-free workplace.

Take a quick glance at the [**Pensions Regulator’s Core values and competences**](https://ele.exeter.ac.uk/pluginfile.php/3828092/mod_page/content/12/purpose-values-competencies%20-%20The%20Pensions%20Regulator.pdf) (link will open in a new window) as an example of an organisational values set.

**Ban these 5 words from your corporate values statement**

*This is a short article from Denise Lee Yohn (2018)*

Practically every organisation today has a set of core values that ideally function as the “operating instructions” of the company. The goal of articulating the essential and enduring principles of your organisation is to inform, inspire, and instruct the day-to-day behaviours of everyone who works at your company. But this rarely happens, because most core values statements don’t get at what’s unique about the firm.

According to the [**Booz Allen Hamilton and Aspen Institute’s Business and Society Program researchers**](https://www.strategy-business.com/article/05206?gko=9c265) (link will open in a new window), most corporations’ values incorporate similar words and ideas. 90% of them reference ethical behaviour or use the word “integrity,” 88% mention commitment to customers, and 76% cite teamwork and trust. \*\*\* If you get to the report just graze read the red highlighted parts for now.\*\*  [**(pdf here**](https://ele.exeter.ac.uk/pluginfile.php/3828092/mod_page/content/12/The%20Value%20of%20Corporate%20Values%20-%20Booz%20and%20Company%202005.pdf))

I’ve seen this first-hand in my work helping organisations define or re-define their core values. Several words always come up in practically every discussion, no matter if the company is a large enterprise, a small business or in the public sector. Here are the five terms to ban from every core values list:

1. **Ethical (or integrity)**– Every company should operate ethically and with integrity – and by stating this concept as one of your core values, you raise the question of why you have to point it out.
2. **Teamwork (or collaboration)** – You shouldn’t need to tell your people to work together – it’s common sense. If they’re not working collaboratively, listing it as a core value isn’t the solution. (Things like organisation design, training, improved processes, and new shared metrics and performance standards are.)
3. **Authentic** – You can’t claim to be authentic or that you want to be – you must simply be authentic. And your organisation will be authentic if its leaders actually act and communicate in authentic ways.
4. **Fun** – Stating that you want your organisation to embrace fun makes it seem like you’re trying too hard. Just like a teenager who claims to be cool, if you have to say it, you’re probably not.
5. **Customer-oriented (or customer-centric)** – Again, all companies should be attuned to their customers and their wants and needs. Developing a core value that explains the unique way in which you engage with your customers would be far more differentiating and meaningful.

Not only are these concepts mere table stakes for any business that wants to be competitive in today’s environment, but they also don’t specify what is distinctive or uniquely valuable about your organisation.

Differentiation is the key driver of brand power. Your organisation’s core values must embody what makes your company uniquely “you”— what makes you stand out from others.

There isn’t one right set of values for every organisation. Your core values should describe the collective attitudes and beliefs that you desire all employees to hold, translate those into specific actions and decisions that they should make.