

A photograph of three women in a meeting. The woman in the center has curly brown hair and is smiling. The woman on the left has blonde hair and is looking towards the center. The woman on the right has dark hair and is also smiling. They are sitting around a table with papers and a smartphone.

# Leading Through Values

**Leadership through  
principles and practice**

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## Values at City & Guilds

City & Guilds is an organisation founded on strong principles and with a clear mission to inspire and help people and businesses to continually improve their skills, performance, and productivity through training and development. As such leading in accordance with our values has always been hugely important to us, which is why we decided to produce this report.

**Our values have to be more than simple statements or ideals**

Kirstie Donnelly MBE  
Group CEO



While our mission and purpose have always remained the same, over the last 140 years City & Guilds has evolved and developed to meet the changing needs of learners and the changing world.

Our values have to be more than simple statements or ideals – being able to measure, track and evidence the implementation of our values is essential, helping us to ensure that we are driving behaviours among ourselves and delivering on our commitments to our customers and colleagues.

Our Social Impact Report is one of the ways we ensure that our behaviours are aligning with our values, tracking the number of learners we have reached and the impact the programmes operated by our charitable foundation have had.

As the nature of work, training and skills development evolves in line with social and technological change, the way in which we engage with our employees and our customers, and what that means for us, will also evolve. Throughout these changes however, our commitment to living our values in the way we work and lead remains consistent.

To build on this, through 2021, we worked on refreshing our values to better reflect our mission. We lead through these values to have measurable impact on employment outcomes, organisational performance and productivity, as well as social and economic benefits to society:

- **Inspire** - We inspire people to raise and achieve their aspirations
- **Improve** - We improve performance and productivity
- **Achieve** - We assess and recognise achievement, making it visible
- **Trust** - We hold ourselves accountable and act with integrity

As we begin to move into a post-Covid world, with the increase in remote working changing the way we interact with our customers and each other, these values that underpin our working culture will be more important than ever before. I am delighted that ILM is stimulating this discussion and enabling business leaders to share experiences and best practice on building the leaders of the future and driving business growth.

### Our Brands





David Phillips  
Managing Director of ILM

## Foreword

ILM is delighted to bring you our Leading Through Values report. As the leading global brand for learning and assessment in leadership, management and coaching, ILM's aim is to support businesses to harness leadership, management and coaching skills and behaviours in their people, to develop careers, and to drive success.

Even prior to Covid-19, businesses were undergoing a period of rapid change, and this has only been hastened by the pandemic. Rapidly evolving workplaces require new leadership skills that accommodate agile and shifting working practices and build consistent ways to ensure that people are maintain a feeling of connection to their workplace. This can be answered, in part, through values.

That's why we are sharing thoughts on how leadership skills developed through the lens of values are positively impacting business decisions and employee and customer experiences. Value led-leadership and embodying these values throughout the organisation, will form a critical element of this, as workers increasingly prioritise a workplace culture that empowers and motivates teams, with many having felt that leadership was lacking during the pandemic.

In this report, we have engaged with businesses from across a range of industries and of varying sizes to gain insights into how organisations can develop, implement, communicate and measure the impact of their values.

Great companies need great leadership. We need to look further into the future and invest in creating the leaders of tomorrow

**Taking a holistic approach, refining and articulating the values that govern the organisation will help employers to attract high calibre candidates, retain them over the long term and build a strong workplace culture that will enable their people, and their business, to grow.**



**A 2019 report from Glassdoor found that over 77% of adults across the USA, UK, France and Germany would consider a company's culture before applying for a job there.**

## Introduction

Company values and ethics are becoming increasingly important to success.

Employees are increasingly concerned not only with the values companies espouse, but with whether they live and breathe them in practice – not just in terms of how they behave externally, but how they treat their staff.

A 2019 report from Glassdoor found that over 77% of adults across the USA, UK, France and Germany would consider a company's culture before applying for a job there, and 79% would consider a company's mission and purpose. More than half of those polled said that company culture is more important than salary when it comes to job satisfaction.

This report explores how an organisation can develop a set of values effectively, maintain its relevance, encourage staff at all levels to embody these values, and the benefits this has for an organisation.

We engaged with brands that have effectively developed a positive working culture – embracing a style of leadership that is always couched firmly in their principles and which is practised throughout the organisation.

It highlights the business rationale for using values as a lens to view strategy, and as an organising principle. Contextualised within the changing requirements of the modern workplace, it considers the requirement for more flexible and multi-skilled employees that are still able to feel connected, particularly through change programmes. We have used interviews from employers throughout the report as supporting case studies of all statistical data.

<sup>1</sup><https://www.glassdoor.co.uk/blog/mission-culture-survey/>

**The values are the bedrock. The culture sits on top of that. It's the landscape that shifts on top of the values. It can move and shift and evolve. Culture is the manifestation of the values.**



# 1

## Company culture in the last ten years

Company culture and office spaces have changed dramatically over the past ten years. Whether technologically, or otherwise, the workspace has undergone a significant transformation. The emergence of leading through values to define company culture could be attributed to some of these changes.

For the purposes of this report, we will explore the transformation of company culture in two phases: pre- and post-Covid-19.

## 1.1 Company culture pre-Covid

There has been a shift away from competition and towards collaboration, particularly when it comes to women. Where before there was only room for one woman at the table, now there's room for more. This is, in large part, thanks to more open and honest social conversations about gender inequality in the world, which filter through to the workplace.



EDI (equality, diversity and inclusion) in the workplace is under more scrutiny than ever before. With articles being written and conversations happening around making the workplace more equitable and diverse, more and more organisations are making EDI part of their strategic planning.

In 2015 McKinsey compiled a report titled Why Diversity Matters<sup>2</sup>. The report went beyond the intuitive notion that EDI in the workplace matters. The report says:

**“Our latest research finds that companies in the top quartile for gender or racial and ethnic diversity are more likely to have financial returns above their national industry medians. Companies in the bottom quartile in these dimensions are statistically less likely to achieve above-average returns. And diversity is probably a competitive differentiator that shifts market share toward more diverse companies over time.”**

This commitment to EDI has found its way into the values of many corporations around the world.

Moving on from this, unemployment rates were lower towards the second half of the decade than they were in 2010. Potential employees have more options and more leverage in terms of what they can expect from a company. Businesses must have a strong culture, environment and perks to attract the best talent in the market.

For the first time ever, there are four generations in the workforce: Baby Boomers, Gen Xers, Millennials, and Gen Zers. Each of them needs to be catered to in a different way, which poses a challenge to HR leaders all over the world.

It's important to note at this point, that company culture and company values are not the same thing, although there is often confusion around this. Values guide the decisions that are made in a business. They point to what the business values as right and important. The culture of a company is the collection of processes, practices and interactions that make up the work environment.

Values are the principles, the rules of the game. The values are the bedrock. The culture sits on top of that. It's the landscape that shifts on top of the values. It can move and shift and evolve. Culture is the manifestation of the values.

**For the first time ever, there are four generations in the workforce: Baby Boomers, Gen Xers, Millennials, and Gen Zers.**

<sup>2</sup><https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters#>

Organisations are far less hierarchical than they used to be. In our case studies throughout this report, this theme comes up often. Company cultures in these case studies aspire to move away from hierarchy, as it seems that there is a more enthusiastic adoption of values if everyone feels included in the values' formulation.

Mary Good, the Chief People Officer at Squarespace, says

**"The days of the top down, directive approach are gone, at least in tech, in part due to the competitiveness of the labour market and overall focus on the part of top companies to be Great Places to Work."<sup>3</sup>**

Online tools and social media have allowed employees to be much more empowered. They're able to share their workplace experiences with a broader audience. Their role is far more impactful now than it was ten years ago. This shift opens up opportunities for organisations to view their employees as advocates for their values, authentically engaging with external audiences.

Mark Swift, Partner Director of Design and Research at Microsoft agrees:

**"We've started to see a need for this open and transparent working environment to start to democratise knowledge and amplify everyone's voice, rather than in the past it's been top-down deployment of information, the highest-ranked person in the room's voice was always louder,"**

Swift added:

**"There's a missed opportunity to actually learn from everyone in the organisation, so having a diverse perspective gives freedom of information."**

Employees are now also going to work for more than their paycheque. Whereas in the past people would go to work for compensation, there are other factors at play now. These include:

- Company culture
- Absence of burnout
- Opportunities for growth

According to a survey by Hibob, 69% of people will reconsider a job offer if the company culture seems toxic<sup>4</sup>. In the interview process, people specifically look for signs of a high staff turnover, or signs of burnout in staff members. 77% felt that company culture is extremely important, and 56% ranked opportunities for growth as more important than salary.

It also seems that people want to know that the organisation they may be working for is good for society. Young and politically engaged jobseekers aren't just pushing for better salaries, hours and contracts. They want to know the organisation is having a positive impact on the world. According to consultancy, Global Tolerance, almost half the workforce (42%) feels this way<sup>5</sup>.

This speaks to the idea that employees will consider different values when joining a company.

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**IBM**

## Case study evidence

These ideas are supported by our case study with IBM. IBM values were updated and formalised in 2003 via a company-wide consultation process. People from all walks of life, from across the business, were invited to participate in a "worldwide company jam". This took the form of an open-sharing meeting which was structured to a degree, but allowed everyone to offer their ideas and thoughts online from across the entire organisation, globally.

[See Annexure for full case study](#)



<sup>3</sup><https://www.theladders.com/career-advice/workplace-changes-since-2010>

<sup>4</sup><https://www.hibob.com/blog/toxic-workplace-culture-might-deter-good-employees/>

<sup>5</sup><https://www.theguardian.com/sustainable-business/2015/may/05/millennials-employment-employers-values-ethics-jobs>



## 1.2 Company culture post-Covid

Research has been done into how the pandemic has affected the way companies live their values. There is evidence that values featured prominently during the Covid-19 months, creating a shared culture.<sup>6</sup>

The following notions are not specific to the Covid-19 pandemic, nor have they been instigated by it. The pandemic has, however, accelerated the following, making them a more normal set of circumstances:



The workforce has become much more remote. People crave more freedom than they used to, and this has impacted where and when people work. It's a factor that people will consider when applying for a new job and when being offered work in a company.

Because remote work is becoming a norm, a work team is no longer necessarily confined to one office space or one building. Work teams can span the globe.



This does create unprecedented challenges for leaders. They need to support remote teams. They need to ensure that people feel connected to the organisation when they are not physically working in that organisation. This is where values can play a role - people feel connected to something greater than them.



The pandemic, however, hasn't only affected teamwork in the sense of location. To preface the next point, it's important to note that historically, when companies have been through difficult times, it is often their values that have dictated whether they survive or not. The companies that will come out strongest will be those where leaders have used their values to strengthen their teams, and focused on the individual. The values, when observed and relied on, impact on the company culture, making the organisation a place of cohesion and support.



The pandemic has already led to a stronger sense of community. It has forced colleagues to become more aware and understanding of each other's personal lives, simply by virtue of the fact that online meetings happen with children and pets in the background, in the very homes of these individuals. Co-workers have seen each other's lives on display for over a year.



The added pressures of caregiving and home schooling have led to many business leaders working and adapting to make their staff feel more connected, even through the remote nature of working.

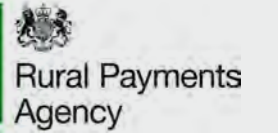


This brings us to the notion of adaptability. A company that can adapt to such change is a strong company. A company that is able to stay unified is, arguably, even stronger. Employees need to feel safe, psychologically. Clarity and certainty from leadership goes a long way to unifying a staff body towards the same goals and outcomes.

<sup>6</sup><https://sloanreview.mit.edu/article/how-companies-are-winning-on-culture-during-covid-19/>

## Case study evidence

An example of this is the Rural Payments Agency (RPA).



The Covid-19 lockdown presented a major challenge for an awards ceremony that was being planned, so it was hosted virtually. Where initially, this was thought of as a hinderance, it allowed all nominees and sponsors to join the ceremony via Zoom. There was very little formality – without the dressing up and hand shaking, and with the presence of kids and pets, people were able to enter each other's homes. There was much more of a focus on the values and the authenticity of everyone who was there.

Speaking of RPA's values, Director of Organisational Capability, Jake McClure says, "There has to be trust between everyone - from employees and Ministers, to sponsors and senior people."

St Giles Trust mentions specifically that remote working during the pandemic has presented challenges and they've had to look at how they implement values internally. The values held the organisation together during lockdown and, when tested like this, the values have proven to provide real strength.

**“There has to be trust between everyone - from employees and Ministers, to sponsors and senior people.”**

**Jake McClure**  
Director of Organisational Capability, RPA

**See Annexure for full case study**



**Ultimately, when everyone in the organisation is invested in the values, everyone speaks the same language, at all levels of the organisation.**



## 2

## Employee Drivers

In all case studies conducted when compiling this report, the theme of employee drivers was present. It seems that, more and more, organisations are looking to understand what the individual wants so that they can drive motivation and, ultimately, productivity. Employees have a direct impact on the financial and operational results of an organisation.

Employee behaviour will affect other staff members and delivery of the company services. This can include the number of sales made, productivity, efficiency, and customer satisfaction.

A more person-centred and authentic approach seems to speak volumes to employees. The way upper management and executives interact with the employees plays a pivotal role in how effectively they perform. When management and executives are using the values to inform their interactions, they speak the same language as their employees (providing the employees are living the values too). Ultimately, when everyone in the organisation is invested in the values, everyone speaks the same language, at all levels of the organisation.



## 2.1 Person-centred and authentic

According to Afiniti, Carl Rogers developed the person-centred approach to therapy. His belief was that if people feel secure and safe, they're able to embrace change more easily and incorporate it into their lives. Evidence supports this.

He hypothesised that three core elements would be present in the therapist's approach to the patient:

- congruence (being genuine)
- empathy (a deep understanding of what the client is feeling), and
- an unconditional positive regard for the client (acceptance).<sup>7</sup>

Afiniti then thought it fitting to draw parallels with the business world. Authenticity is key in securing buy-in from employees. Only if there is a genuine approach to values from executives, will there be congruency throughout the organisation.

# Credly

### Case study evidence

An example of this is Credly. There was an acknowledgement during the formulation of the values that the leaders had to espouse the values as much as everyone else.

Empathy and respect are needed at every level to create a culture of belonging, which motivate people to accept and live the values. Credly has done this by acknowledging that management and executives also have to live the values, and committing themselves to difficult decisions that may arise because of this. The values create a framework for final decisions, and an order of operations, as well as ensuring diversity and inclusivity.

This means that the application of the values is imperative to the health of the company.

**See Annexure for full case study**

<sup>7</sup><https://www.afiniti.co.uk/insights/person-centred-business-change/>

## 2.2 Well-being of employees

The Chartered Institute of Personnel and Development (CIPD) is a professional association for human resource management professionals. For over 100 years they have championed working people and their working world, setting standards, and driving positive change.

Between 2009 and 2017, they published a series of reports called The Outlook Series. Regularly surveying a sample of 2000-3000 UK employees, they identified their opinions and attitudes to working life.

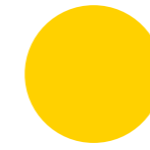
All surveys consistently found that 38% of workers experience work stress on a weekly basis. The problem in a lot of companies is that there is no clear, standalone health and well-being strategy. In fact, only 8% of companies have such a strategy. According to the CIPD, employee well-being should be a strategic priority.

Business in the Community has defined well-being as ‘the mutually supportive relationship between an individual’s mental, physical, social and financial health and their personal wellbeing.’<sup>8</sup>

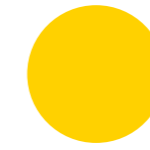
When an entire organisation embraces the idea of well-being into their culture, they’re able to achieve maximum impact, because this is when everyone thrives – the people, the company, and the community it supports and serves.

**According to the CIPD, employee well-being should be a strategic priority.**

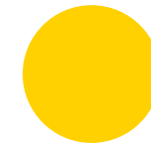
### BITC has also found that:



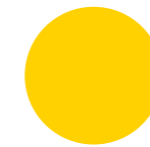
A quarter of workers have thought about resigning because of stress, with one in ten following through with resignation.



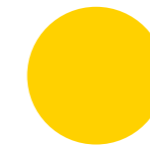
At least 34% of line managers expressed a need for more independent authority, and feel unempowered.



Four in five employees have said that when their leaders are inclusive, their performance and productivity improve.



The CIPD’s outlook survey found that when someone is under too much pressure, they start to feel anxious and depressed, which is often accompanied by a reduction in performance.



Mental ill-health leads to people spending too much time at work (presenteeism) and this costs the UK economy £15.1bn a year, almost twice the cost of absence from work.

**One can surmise from this that balance sheets can no longer be the only focus when measuring the success of a business. The balance sheets are almost always going to be affected by the well-being of workers.**



In conversation with Timpson about the creation of their values, they said:

**“With the aim of making staff members feel like they belong, and to make sure everyone feels looked after, the end goal is to create a happy and productive workforce who have fun and work hard.”**

**See Annexure for full case study**

<sup>8</sup>[https://www.cipd.co.uk/Images/employee-outlook\\_2017-spring\\_tcm18-21163.pdf](https://www.cipd.co.uk/Images/employee-outlook_2017-spring_tcm18-21163.pdf)



An article by Forbes in 2020 explored this notion of well-being and found that often it’s implemented as a programme by an HR department, instead of being a mindset or ethos.<sup>9</sup>

The Forbes article goes on to say:

**“According to a Gallup study in 2019, if employees had higher well-being in year one, they would tend to have higher engagement at work in year two as well as increased positive change in well-being in year two.**

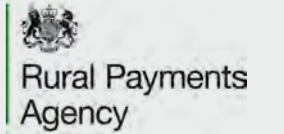
**Conversely, if employees are struggling or suffering, this attitude negatively affects the overall workplace environment and the team. Managers highly influence organisational culture, and if managers discuss and promote well-being as the norm then his/her employees get more involved in well-being activities. If managers are not engaged, then this cascade to employees does not exist.”**

It’s important that leaders in an organisation empower people and create the conditions needed for well-being to thrive.

<sup>9</sup><https://www.forbes.com/sites/colleenreilly/2020/06/09/wellbeing-positively-impacts-firm-performance/?sh=5d8e52ce7cc9>



### The RPA speak to this idea in our case study with them:



“From the outset, there was a commitment to humanise the leaders of the RPA through vulnerability. Leadership did not want to be seen as dictating the values to the people with words on a page. The RPA have established the idea that the values of the organisation are not just bullet points to be imposed on the people. They wanted values to be grown organically.

There is consistent messaging that people have the right and the space to speak the truth, and to speak truth to power, regardless of their grade and who they are.”

[See Annexure for full case study](#)

In a seminal paper, Fabuius, R., Thayer, RD, Konicki, D. (2013) made the link between workforce health and the health of the bottom line by tracking the performance of companies in the market. It was found that companies that approach the well-being and health of their staff outperform those that don't.

Further: “Another study evaluated the stock performance of publicly traded companies that received high scores on the HERO Employee Health Management Best Practices Scorecard in Collaboration with Mercer© based on their implementation of evidence-based workplace health promotion practices.

Their findings reinforced the financial advantage of workplace well-being as the stock values for a portfolio of companies that received high scores in a corporate health and wellness self-assessment appreciated by 235% compared with the S&P 500 Index appreciation of 159% over a six-year simulation period. This study concluded that robust investment in workforce health and well-being appears to be one of the many practices pursued by high-performing, well-managed companies.”

In a more recent study, the well-being of 1,882,131 employees and the performance of 82,248 businesses, from 230 organisations across 49 industries were assessed. It was found that there is a significant link between employee satisfaction and productivity, strong customer loyalty and a low staff turnover. This all leads to higher profit margins.

## 2.3 Self-directed and autonomous learning

There has been a marked shift in many organisations away from the whole, and towards the individual instead. Self-directed and autonomous learning is an indication of this. SDL is becoming more and more prominent in company culture. This means that the company values are the basis of employee engagement, as well as the engagement that happens with clients and customers.

This encourages the workers and employees to be far more participative and invested in the company's values.

A multi-dimensional concept of self-directed learning has become an increasing factor in most organisations over the past decade. It requires a sense of responsibility from individuals and teams themselves, without too much control from the organisation.

Self-directed learning (SDL) is unique because it allows the employee to direct their learning as they like. Learning doesn't just happen at work and in the office. It can happen when employees are asked to plan social events for the company, like parties and ceremonies.

People learn the detailed mechanics of a task by actively choosing to do it, instead of being ordered to do it. Similarly, the practical aspect of doing a task allows for a far more detailed and deep sense of learning instead of merely reading about it.

### SDL has several benefits:

- People can upskill themselves in areas they're really interested in, providing them the opportunity to become more specialised in certain skills.
- We don't all learn the same way. SDL allows people to learn in a way that is comfortable for them.
- The employee is able to experience deep learning because they're becoming more and more familiar with understanding the tasks in a practical, critical and conceptual way.



### There are challenges too:

- Some people struggle to learn on their own, and need guidance from another in order to understand certain concepts.
- There are people not able to extract and absorb the information they need when they're learning alone.
- There is such a thing as too much freedom for some people. The number of possibilities can create anxiety for those who are frozen by limitless options when it comes to dealing with tasks.

### How to implement SDL effectively

The implementation of something like this requires much more than a programme laid out by an HR department. It's about implementing a particular kind of culture and attitude in the workplace.

The workplace would need to adapt in such a way that allowed employees to feel secure in the shift, if such a shift was to take place.

### Some ways companies have implemented SDL:

- Small steps – allow people free time regularly to grow and learn in different areas; they slowly begin to realise that the opportunity for growth during this time is exciting and important.
- Give people a voice – in meetings allow people to direct the flow of information. When there is a cultivation of active thinking, SDL can grow organically.
- Allow employees more access to resources, training courses and software so that they can be exposed to things they weren't previously exposed to before; and to increase the idea of freedom and exploration.

## Case study evidence

**Timpson** is an example of a company that exercises a level of SDL.

Each area team has an area development manager. They are responsible for checking rotas and doing shop visits. The onus is upon them to make sure certain checks are done – they are largely responsible for doing this themselves, with no one setting out a pre-planned process or checklist.

Timpson takes measures to nurture this behaviour. Staff members are encouraged to make decisions and to be autonomous. The company provides empathy and a strong network of support, allowing managers to step into their roles with confidence. Many area managers are homegrown and have progressed within the business.

Janet Leighton, Director of Happiness, is tasked with the job of traveling around the country and checking in on how people are doing.



**See Annexure for full case study**



## 2.4 Recognition of employees

Remuneration is important when recognising staff for work done, but it's not the only important indicator. Many employees want to feel that their work is being valued in other ways<sup>10</sup>.

Values play an important role in this, because they should stipulate in some way that there is recognition of employees' hard work outside of salaries. Following on from this, the culture will be formed in such a way that this is enabled.

### **Payscale suggests several ways that recognition can happen outside of salaries and fees:**

- Personal recognition through small gifts or gift certificates
- Formal recognition (a thank you note, a mention in a meeting)
- Help staff to reach their goals by giving them new tasks or letting them participate in different projects; some may want to coach or mentor other employees.



### **Case study evidence**

The **RPA** recognises their employees with awards.

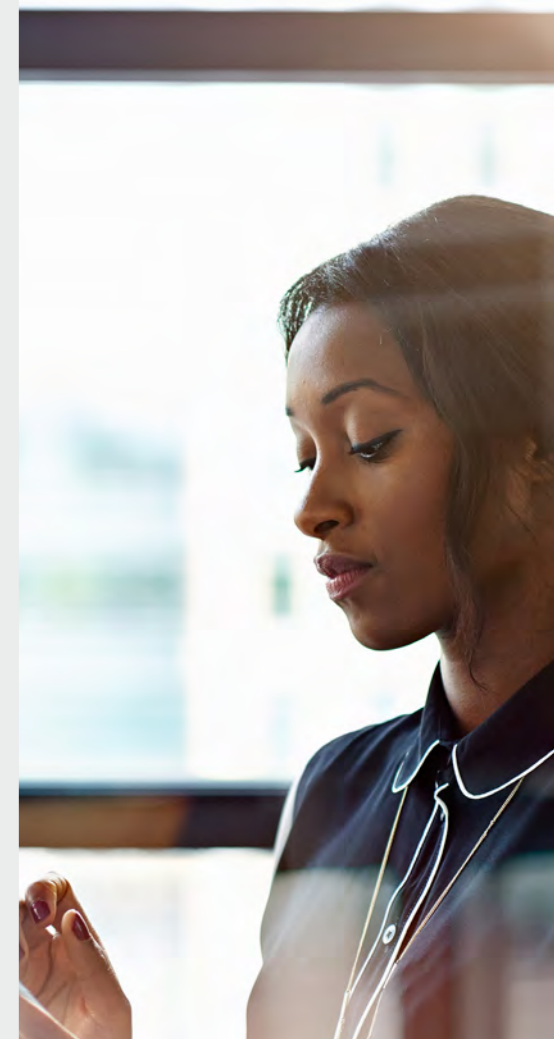
The RPA embarked upon creating awards ceremonies and recognition events, including the VERITAS awards.

There were people across the entire agency who helped to put together the events. Organisers were grade-agnostic and it was an inclusive process of nomination.

Key areas identified for acknowledgement included: visible leadership, engaging customers, respectful behaviour, inclusive culture, trusted reputation, accountability to others, supportive learning and development.

There was also a standalone delivery award for collaboration and innovation.

**See Annexure for full case study**



<sup>10</sup><https://www.payscale.com/compensation-today/2014/07/how-to-give-employees-meaningful-recognition-beyond-financial-rewards>



## 3

## Company Values

It's through company values that organisations drive business. The values are the philosophies and principles that guide the way a company performs, including the way it treats its employees and the way it interacts with its customers.

The organisations interviewed for this report all spoke of the importance of the values supporting the business mission and purpose. When these interconnect, the business culture is at its strongest and the impact on performance is most powerful.

A Harvard article from 2002, by Patrick M. Lencioni, warns against the dangers of hollow values. He argues it can be destructive because employees become cynical and dispirited. Customers pick up on this and feel alienated. Managers feel that it undermines their credibility.<sup>11</sup>

What becomes clear from this, is that when values are clearly defined and strictly implemented without the consultation or participation of employees it can create difficulties within an organisation. This is because the staff feel no connection to the values decided upon.

Sometimes, even when there is consultation, there will be resistance because not everyone will connect with every proposed value.

**An organisation considering a values initiative must first come to terms with the fact that, when properly practised, values inflict pain. They make some employees feel like outcasts. They limit an organisation's strategic and operational freedom and constrain the behaviour of its people. They leave executives open to heavy criticism for even minor violations. And they demand constant vigilance.**

If your company and its people are willing to commit fully and authentically to living the values, the opportunities are enormous.

<sup>11</sup> <https://hbr.org/2002/07/make-your-values-mean-something>



### Case study evidence

Jonathan Finkelstein, CEO of Credly, says:



**“Management and executives also have to live the values, and this can lead to difficult decisions. The values create a framework for final decisions and an order of operations. At Credly, all conversations are informed by values. When new programs or initiatives are rolled out, this presents an opportunity to put the values in action. How does a company advance in alignment with its values? It’s vital that the values are relied on to do what’s important, and also what is right.”**

See Annexure for full case study



### 3.1 Values and organisational purpose

The Harvard Business Review published an article in 2014, that spoke to an important distinction in business culture, that sometimes gets missed:

Your company’s purpose is not its mission, vision or values.<sup>12</sup>

A separate article in 2016, from Nobl Academy, explored how companies could define these tools.<sup>13</sup> They argued that when the purpose, mission, vision and values are clearly defined, staff members are better able to understand what the broader company goals are. They’re also less likely to rely on a chain of command to get things done, and will take the initiative more often when making decisions and completing tasks.

**Your company’s purpose is not its mission, vision or values.**

According to this article, the definitions are as follows:



They should be memorable and written in the company’s own voice. Nobl Academy cites a Deloitte survey from 2015, which found that 6 out of 10 millennials choose the company they work for based on their purpose. Now more than ever, Gen Zers and Millennials are focused on creating positive change in the world, and they will almost always make work-based decisions that are in alignment with their beliefs.

The values of a company must speak to these beliefs. The best way to do this, is to get the employees themselves to define the values of a business, and in this way shape the organisational purpose. In short, the values come first. A powerful and empowering way of generating values is to have team brainstorming sessions, always keeping in mind the success of the company.

<sup>12</sup> <https://hbr.org/2014/09/your-companys-purpose-is-not-its-vision-mission-or-values>  
<sup>13</sup> <https://academy.nobl.io/how-to-define-your-purpose-vision-mission-values-and-key-measures/>

The values should then be ranked. Which values are most rewarded inside the business? Which values best represent the company's beliefs about their employees, their world and the people they serve?

Once the values have been ranked, a purpose can be accelerated which improves the progress of the employees. These core ethics are what the company will abide by, no matter what. They inspire best efforts, but also restrict people from behaving in ways that aren't in alignment with the vision.

When the values are clear, well-drafted and current, they guide staff behaviour, and bring a company closer to their purpose.

## St Giles

Turning a past into a future

### Case study evidence

According to Kate Vaughan, head of fundraising at St Giles' Trust:

**“The values are a driver for the organisation; they drive everything that we do. They ensure that everything we do fits with the organisation and its culture. You can build on them, and attract staff with the same values. They reinforce positive behaviours and culture. They're there to reflect on the organisation, but also to shape it.”**

See Annexure for full case study



**Consistently, research has found that it's not enough to have the values merely printed on the walls of an organisation. The values have to be in the DNA; walking the corridors, sitting at the desks, and interacting with the customers and various other stakeholders.**



### 3.2 Values and strategy/operational delivery

Strategic planning is vital for any company that is fully operational and running at top performance.

It's important that strategic planning is also aligned with values.

Historically, big corporations have focused on hard numbers. What can often set a business apart from the competition, is its attention to soft ideals like values and culture.

Consistently, research has found that it's not enough to have the values merely printed on the walls of an organisation. The values have to be in the DNA; walking the corridors, sitting at the desks, and interacting with the customers and various other

stakeholders. They have to be part of the daily strategy and operations.

Values must also be aligned, understood and respected across departments and teams. The result is that people will follow the same rules, establish the same behaviours, develop mutual respect and tolerance, and appreciate the company's vision, mission and goals. Through a mutual understanding of values, everyone works towards the same goal, even if strategies within the organisation vary.

In the exercising of strategy and operational delivery, the values can often determine important factors: saving time, saving money, and reducing friction.

## dermalogica

### Case study evidence

Speaking of Dermalogica's values, Candice Gardner says,

**“From a beauty-industry point of view, beauty can be seen as a little bit superficial, so for us, it's really important that we don't exploit people's insecurities. Commerciality can sometimes override authenticity because we're trying to be successful at bringing in the cash flow and trying to drive that revenue for the business. For us as Dermalogica, we have to be authentic about our interactions and that's part of the human touch connection. It's how we use our voice, our attention and our collective humanity that has to shape the brand and determine how we operate as a whole.”**

[See Annexure for full case study](#)





### 3.3 Values across all levels

Working in alignment across organisational boundaries is a challenge faced by all entities, not just companies. Thanks to technology it is now easier than ever to connect people across boundaries, geographical and otherwise.

When it comes to values, it's important that all people across the organisation are implementing them all the time. Companies with multi-level management and executives seem to be at their strongest when all players are observing the values.

All case studies in this report spoke of the need and importance of all players observing company values – from executives to management and staff. When staff members see that leadership is not observing and living the values, it creates dissent and resentment.

When leadership lives the values of a company, there is much more cohesion within the company, and a sense that the values are alive and functional.

This will be explored in more detail in the following section.

**Thanks to technology it is now easier than ever to connect people across boundaries, geographical and otherwise.**

## dermalogica

### Case study evidence

Candice Gardner, educational manager of digital and content at Dermalogica speaks of such difficulties.

Gardner points out that some of the challenges faced when instilling values across all levels of a corporation the size of Dermalogica include helping individuals understand how to translate those values to their roles specifically. With a diversity of people from finance to therapists to marketers and strategists, the question of how to embody company values, while retaining individual talent and creativity and personal beliefs, remains the greatest challenge, with a very real corporate reward when achieved.

[See Annexure for full case study](#)





## 4

## Company Values: Organising Principles and Centralising the Structure

Using company values to create a centralised and standardised structure that is relatable at all levels and in all parts of the organisation, creates a greater sense of cohesion and more transparent communication. This helps companies to avoid the development of silos.

Silo is a term used by businesses all over the world. It's an issue that has been on the rise for 30 years and doesn't seem to be showing any signs of going away any time soon.

Essentially a silo is when certain departments or sectors within an organisation don't want to share information with other parts of the organisation. Silos reduce efficiency and morale, and have a negative impact on the overall company culture.

In compiling this report, several of our case studies made mention of silos and their desire to mitigate the risk of silo-like behaviour.

It seems that when clear values are created, and when everyone is in alignment with those values, the regularity of silos diminishes. Using the values as a cross-company organising principle goes a long way to ensure everyone is on the same page when it comes to the company's purpose and culture.

**When clear values are created, and when everyone is in alignment with those values, the regularity of silos diminishes.**

## 4.1 Values as an organising principle

As discussed throughout this report, when core values are firmly in place, with each team member in the organisation living those values in everything they do, a system is created in which everyone is working towards the same things.



**Employees who work in an environment with clear values that they understand and resonate with are 51 times more likely to be more engaged with their work. This is according to ModernSurvey, cited by Malcolm Scotts Consultants Ltd.**

The core values of a company tell the world what that company believes in. They set out the priorities and, when implemented correctly, they guide all activities.

When each team member lives the key values of a company, performance is immediately affected. This is because:

- They understand their role in the company
- They know what the company is trying to achieve and they know how they can help to make this happen
- They know what they need to do to perform at their best
- They can use the core values to guide their actions and performance

When the values are truly aligned with the business's purpose, and everyone is striving to achieve the same thing, the workplace culture is one of solidarity and increased positive engagement.

Employees who work in an environment with clear values that they understand and resonate with are 51 times more likely to be more engaged with their work. This is according to ModernSurvey, cited by Malcolm Scotts Consultants Ltd.<sup>15</sup>

There are key steps to organising a business and, depending on the size of the company or organisation, they can be more or less complicated and intricate. Some of these key steps include:

- Defining the company goals and plans
- Keeping all members of staff motivated
- Setting daily, weekly, monthly and yearly goals
- Organising and decluttering your physical space
- Being punctual (with payments, deliveries and promises)
- Communication (keep it clear and regular)
- Having the right tools and systems in place for day-to-day admin and productivity management

By underpinning these with a clear set of core values, a company can ensure that organisational principles are adhered to and implemented by a staff body who believe in what they're doing, and are not simply carrying out tasks because they've been told to. They themselves are invested in outcomes, because they resonate with the work on a personal level.

<sup>15</sup> <https://www.malcolmscottcons.co.uk/2020/06/19/values/>

## 4.2 Using values to create a centralised and standardised structure

Similarly, values allow for improvement in employee engagement. Engagement is a key factor when measuring the commitment, drive and passion employees exhibit in their approach to work.

They are more likely to put in more effort, and less likely to want to leave the company. This increases company morale.

There are several ways to incorporate values into the structure of a company, in a centralised and standardised manner.

### Inclusion in the value creation process

If employees are included in the value creation process, there is an increased likelihood of a positive mindset within the staff body. Consultative processes improve engagement and lead to greater benefits.

When employees are part of the creation of a company's values, and are heard, they invest on a deeper level, because their involvement isn't merely prescriptive.

Inclusion in value creation goes a long way to create a unified vision for an organisation. It allows for a community in which everyone, from leaders and executives to management right through to the janitor and the intern are all clear on the common vision and goals.

This is how silos are prevented, and it is particularly vital for people in leadership positions to ensure that they are leading by example.

### Recruitment

The core values of a company will have a direct impact on the kind of talent the company attracts.



### There are three factors at play here:

1

**Attraction:** the more your values resonate with potential employees, the wider the candidate pool you'll be able to select from. This gives a company hiring options.

2

**Reputation:** a company with a strong culture is going to garner attention. People talk and your reputation as an employer will grow, meaning more people will want to work for you.

3

**Quality and fit:** your values will attract better-quality employees and people who are a good fit for your company. When you include your core values in your recruitment process, you attract people who already share those values and who will fit in well with your organisation's culture.

When your values are aligned with your employees and there is a strong culture of open communication, everyone works towards the same thing. This is important throughout a business, particularly across departments.

When every single team member takes ownership of the values, they become embedded in the culture. Silos can only be removed once everyone is in alignment.

According to Forbes, a crucial element must be present in order to mitigate the risk of silos:

Employees must be given the space to question decisions that are not aligned with the values.<sup>16</sup>

The same 2013 Forbes article made the following assertion:

**“The silo mindset does not appear accidentally nor is it a coincidence that most organizations struggle with interdepartmental turf wars. When we take a deeper look at the root cause of these issues, we find that more often than not silos are the result of a conflicted leadership team.**

**Many executives may look at their organization and dismiss department inefficiencies and lack of cross-functional solutions with immature employees, lack of basic training, or simply the inability for some employees to play nicely with one another. Unfortunately, while these behaviors may be a result of the silo mentality, it is not the root cause. These assumptions will actually lead to long-term harm to the organization as a whole by creating resentment and cynicism within the teams. Most employees become frustrated with their department and the organization as a whole when they have identified the problems, but can't do anything about it. It is the responsibility of the leadership team to recognize this and rise above to create effective, long-term solutions that are scalable, executable, and realistic.”**

Recruitment, as it pertains to values, is explored in more detail in Section 6 of this report.

<sup>16</sup> <https://www.forbes.com/sites/brentgleeson/2013/10/02/the-silo-mentality-how-to-break-down-the-barriers/?sh=7a381da8c7e9>

**Integrating core values into performance management frameworks initiates a system of reciprocity in which the employee is set up for success so that, in return, they work at making the company more successful.**



## 5

## Metrics

It's widely recognised that a company culture is very often a 'feeling.' It's intangible. People can sense different things in different companies and organisations. This is very often what makes each body unique.

Values inform culture and are used as a barometer for behaviour. For the purposes of research, like this report, how do we go about measuring the effect that values have on companies? What are the metrics we can use?

Tracking behaviour is a good way to start. This can be done in the following ways:

- Assessing leadership through pulse surveys.
- Assessing communication efficacy through intranets, work project investigation, and running analytics on communications tools if possible.
- Assessing wellness by looking at employee performance, absenteeism and presenteeism levels, and by measuring bottom lines.
- Implementing agility by honing processes and operations. Assessing the agility by tracking customer complaints, time scales and quality scores.

What follows are different metrics used by organisations to measure values and the effect values have on company culture.





## Case study evidence

Credly helps people reach their potential based on their skills and abilities.

Their mission – Let's help organisations make better human capital decisions on the basis of trusted information.

Organisations have an important role in helping their people achieve their professional and personal goals.

Credly has identified that some people have the language, the ability and the means to prove what they can do, while other people don't.

[See Annexure for full case study](#)

Finkelstein says,

**“Dismissing people from consideration based on opaque proxies like whether they have a college degree summarily dismisses large numbers of people who would otherwise be a great match.”**

## 5.1 Learning and development

The idea of wellness in an organisation is multi-faceted. While it's important to assess wellness in a business, what's even more important is ensuring that this wellness is given the space and opportunity to grow and flourish.

More and more humans are beginning to realise that wellness isn't just about physical health. It is a comprehensive assessment of a person in their entirety – mental, physical, emotional, social, financial, and often, spiritual.

Encompassed in this is the notion of addressing mental health by allowing for learning opportunities and development.

This can be done in myriad ways, based on some of the following questions:

- Is there an appetite for innovation in the business?
- Are people encouraged to share and exchange ideas?
- Is there a structure in place that makes room for mistakes and for learning from those mistakes?
- Is there a budget for research and development?
- Do employees feel empowered and inspired enough to drive innovation themselves?
- Are there structures in place for staff to learn and grow in areas in which they excel and are passionate about?

The allowance for this in the culture of a company is a key metric by which one can measure the efficacy of the company's values, as long as the values are being lived by everyone.

**More and more humans are beginning to realise that wellness isn't just about physical health. It is a comprehensive assessment of a person in their entirety – mental, physical, emotional, social, financial, and often, spiritual.**



**There is a strong desire to keep employees happy in a tight labour market and grooming them for advancement is deeply beneficial for the organisation.**

## 5.2 Performance management

In a 2013 Harvard Business Review article Peter Cappelli and Anna Travis wrote that the focus in performance management is shifting from accountability to learning.<sup>17</sup>

Traditional performance reviews in the US have been abandoned by at least a third of companies. The reason for this is that holding employees accountable for past behaviour creates a risk that present and future performance will be adversely affected.

As a result, more and more organisations and their managers are having conversations with employees about learning and development. It seems that prioritising improvement over accountability has a positive effect on teamwork.

There is a strong desire to keep employees happy in a tight labour market and grooming them for advancement is deeply beneficial for the organisation.

Additionally, business environments are changing much more rapidly than ever before and it is vital that people keep up with this.

Integrating core values into performance management frameworks initiates a system of reciprocity in which the employee is set up for success so that, in return, they work at making the company more successful. Of course, this is reliant on the core values being effectively communicated.



**St Giles**

Turning a past into a future

### Case study evidence

At St Giles' Trust a values document measures KPIs against the values, and this is part of the performance review process. Managers use this document as a basis for performance reviews. Specific behaviours are highlighted for different roles in line with values.

The values statement is a "live document" – it must be applicable to people's own roles and work situations. Behaviours are monitored as much as actual performance.

When the values are practised, they will look different at different levels, relevant to what each individual does.

**See Annexure for full case study**

<sup>17</sup> <https://hbr.org/2016/10/the-performance-management-revolution>

### 5.3 Customer engagement

In today's competitive climate, customer focus is key to a thriving business. All employees should aim to deliver excellent customer service at all times. This prompts several questions:

- How can values create a bridge between the employee and the customer experience of a company?
- How can employees be advocates of their company through the values?
- How do brands create 'stickability' through their values?

While this has been discussed intermittently throughout this report, our case studies give specific and measurable evidence of how companies approach these questions.

**"Authenticity underpins the values, as well as employee engagements, customer experience, operational processes, community outreach, stakeholder engagement."**

Jake McClure,  
Director of Organisational  
Capability,  
Rural Payments Agency



#### Record customer feedback

Timpson is one of the UK's leading retail service providers.

In their interview with us, Janet Leighton, their Director of Happiness, explained how their values are consistently reinforced as part of a people-centric approach to their staff and their customers.

Measures are in place in order that company values are practised internally and externally. The purpose of these measures is twofold:

1. To ensure that the staff feel supported, happy, and well-looked-after
2. To ensure that customers, clients and suppliers receive the most professional service from employees who are always willing to go the extra mile.

To measure this, customer feedback is recorded online.

Customer feedback is always positive. Due to the recruitment process mentioned in the full case study (see Annexure), the company is almost always certain to hire people who treat others with respect.

The results are tangible – the business is thriving. So much so that they were able to pay all colleagues 100% through the furlough period of the Covid19 pandemic.

Timpson has grown from 180 branches, 25 years ago, to 1,140 branches today. Last year the turnover was 300 million GBP. According to Leighton, the real success story of this company is that the values are simply based on kindness.

[See Annexure for full case study](#)

**According to Leighton, the real success story of this company is that the values are simply based on kindness.**

## dermalogica

### Include customers in the values

Dermalogica's company and customer service standard has always been about personalisation, with a focus on "the human touch."

For example, through an outlier customer experience programme launched in 2020, Dermalogica has made their values easy to remember and therefore fully accessible through the acronym CLEAR.

Three out of five of their values explicitly mention the customer:

- Experience: Specifically, the personalisation of the customer experience
- Advise: Help the customer make the right decision about their skin health
- Reconnect: Return once again to the element of human touch, maintaining a connection between the corporation and its affiliate partners and ultimately, with the end user / customer.

[See Annexure for full case study](#)



# IBM

### Surveys and performance management

IBM values are measured through regular HR surveys and are embedded in performance management.

Staff take part in an annual assessment, which includes looking at whether behaviour is aligning to the values. All staff are given innovation-based goals.

HR pulse surveys are conducted regularly to measure how staff are feeling and coping with challenges - this is part of the trust and responsibility values

[See Annexure for full case study](#)

**When hiring it's important that the values already exist in candidates. The values are present in everyone in the company, including management and executives, allowing for consistent messaging at all times, including during the recruitment process.**



## 6

## Values and Recruitment

As discussed throughout this report, the culture fit when hiring is important for the values to be lived by all employees. When an employee already exhibits a belief in the company values, it allows them to be happy in their new role, which means they do their best work, and the company benefits.

Values are only as powerful as the people who exhibit them every day. The following pages demonstrate some of the ways companies ensure that the people they hire bring the company values to life.

## 6.1 Impact of values on talent attraction and retention

When recruiting for a role, **Timpson** asks for telephone numbers and names only. They don't read CVs. The reason for this is because they want to know what their prospects are like as people.

They then meet the potential employee in person and get to know them. They ask them about their beliefs, their friends and family, their hobbies, and anything else that might speak to their values.

Essentially, Timpson recruits a specific kind of personality. They believe they can train anyone to do the actual job; but the personality is something that is either there or not.

[See Annexure for full case study](#)

## 6.2 Focus on people looking to work for values-driven and purpose-led organisations

### In recruiting new staff

All companies and organisations we spoke to in the compilation of this report detailed the need to recruit employees who already exhibit the values of the business.

**Credly** is an organisation that helps people reach their potential based on their skills and abilities.

When hiring it's important that the values already exist in candidates. The values are present in everyone in the company, including management and executives, allowing for consistent messaging at all times, including during the recruitment process.

[See Annexure for full case study](#)

### In dealing with existing staff

Sometimes a company will need to do a values review. This can be a good way for existing staff to be brought into the value creation process, so that they feel more involved and committed to the outcome.

**St Giles' Trust** reviewed their values in 2017. Beginning with the annual staff conference, presentations were made to and by the staff based on the lived experience of volunteers and employees. These included testimonials about lived experience. It uplifted and inspired people, bringing them together.

Throughout the day they did group exercises to identify the key values that the staff felt were important to St Giles' Trust. Senior management took all results and crafted a more formal statement of those values. These were then embedded into a wider branding exercise.

[See Annexure for full case study](#)

The exercise was held to identify the key values that staff felt were integral to the charity. All staff broadly agreed on what the values were despite not having had a formal statement before this, and common themes emerged very clearly.

As a result, the values are far more evident and are being implemented both publicly and internally.

The organic process of having the staff articulate values meant that common themes came out strongly and the co-creation of the values have helped to ensure that values are non-controversial and relevant; these are the values that came from "the people" making them powerful and relevant.

## 6.3 Alignment of professional and personal values

Research is showing that staff turnover rates decrease when the professional and personal values of people are in alignment.

A high turnover rate can have a negative impact on an organisation. One of the ways to enhance staff retention is to make sure that the person you're hiring is in alignment with your company values from the start.





**The Rural Payments Agency (RPA)** is an executive agency sponsored by the Department of Environment, Food and Rural Affairs (DEFRA).

Historically, the RPA is a hierarchical agency, with no defined people plan and no defined statement of ambition.

The challenge came when they had to underpin the agency's purpose and vision using core company values.

Initially, there was scepticism around this proposal – staff members felt that this had been tried and tested before, and had not yielded the results that had been promised. How would this time be any different?

Two other challenges presented themselves in the form of Brexit and the Covid-19 pandemic. These two developments have affected the staff turnover rate of many companies in the last while.

From the outset, there was a commitment to humanise the leaders of the RPA through vulnerability. Leadership did not want to be seen as dictating the values to the staff with words on a page. The RPA have established the idea that the values of the organisation are not just bullet points to be imposed on the staff. They wanted values to be grown organically.

By ensuring that the values articulated how the organisation already behaves, instead of dictating to it how it should behave, a belief was cultivated around the values from the beginning of the process.

There is consistent messaging that people have the right and the space to speak the truth, and to speak truth to power, regardless of their grade and who they are.

This messaging is supported and reiterated across all communications and internal reports.

The trust is backed up with people surveys, regular touch-ins with leaders, open drop-ins, coffee events, agency calls, and general inclusivity. A clear consistent authentic voice is what will widen the community and make sure that people are supported during complex times.



**Leadership did not want to be seen as dictating the values to the people with words on a page. They wanted values to be grown organically.**

[See Annexure for full case study](#)

**People will look to their own inherent value system when creating a value system for the workplace. Often, this means they are already living the values. The presence of the values is already strong and this leads to collaboration, empowerment, and a successful organisation.**



## 7

### Conclusion

Company culture has shifted in the last ten years. Our findings have made pertinent four key themes about the future of the workplace.

- 1** People choose values over remuneration
- 2** Consultative processes are powerful
- 3** Movement away from hierarchy
- 4** Leadership must invest in values



## 1 People choose values over remuneration

When a company has strong core values, research shows that it attracts a particular kind of employee. This employee is someone who holds values in high esteem and who wants to be part of a culture that has strong core values. The result of this is a relationship of mutual benefit.

Very often a person will choose to work for a company based on the company's values, rather than the remuneration offered. The converse of this, is that a company may offer an attractive remuneration package, but if the potential employee doesn't resonate with the value system, the remuneration package might not be enough for the employee to take on the job.

Recruitment processes are changing drastically in the world of work, and are reflecting this pattern more and more. Recruitment processes also show that people want to do work that is going to have a positive impact on the broader community and the world. Company values are intrinsic to establishing whether or not this will happen.

## 2 Consultative processes are powerful

In our research, case studies and other, a consultative process in value creation renders a higher investment in these values from all stakeholders.

When staff are part of the value creation experience, the values are developed organically, and authentically.

This is because people will look to their own inherent value system when creating a value system for the workplace. Often, this means they are already living the values. The presence of the values is already strong and this leads to collaboration, empowerment, and a successful organisation.

## 3 Movement away from hierarchy

In the consultative nature of value-creation and the fact that leadership are investing in the values in the same way as staff members, companies are far less hierarchical than in previous years. In a less hierarchical organisation it seems that people are far more likely to adopt, live and resonate with the core values.

Ambitions, emotions and goals can be more easily shared between all levels in a company, and this can foster a sense of empathy and trust. It also means that there is an increased sense of family within the business – something that many businesses aspire towards in today's corporate space.

## 4 Leadership must invest in values

This idea came up in all research and case studies. It's vital that everyone invests in the living of the company values, including executives and management. If this doesn't happen, it creates dissension amongst employees and a sense of value 'hollowness.' This can lead to the demise of a company because people feel dispirited, disgruntled, and the values are severely undermined.

### It's important to make sure that:

- The leaders are living the values
- Values span across departments and leadership levels
- Leaders don't dictate values to staff
- Leaders are seen to be human and vulnerable



# IBM

**Sharing candidate feedback from IBM career applications, values form a major factor in why people apply to work at IBM.**

[See Annexure for full case study](#)

## In summary: recruitment, development, and full proficiency

All companies and organisations we spoke to in the compilation of this report detailed the need to recruit employees who already exhibit the values of the business. Values inform culture, strategy, and success metrics. Increasing numbers of organisations are leading through values.

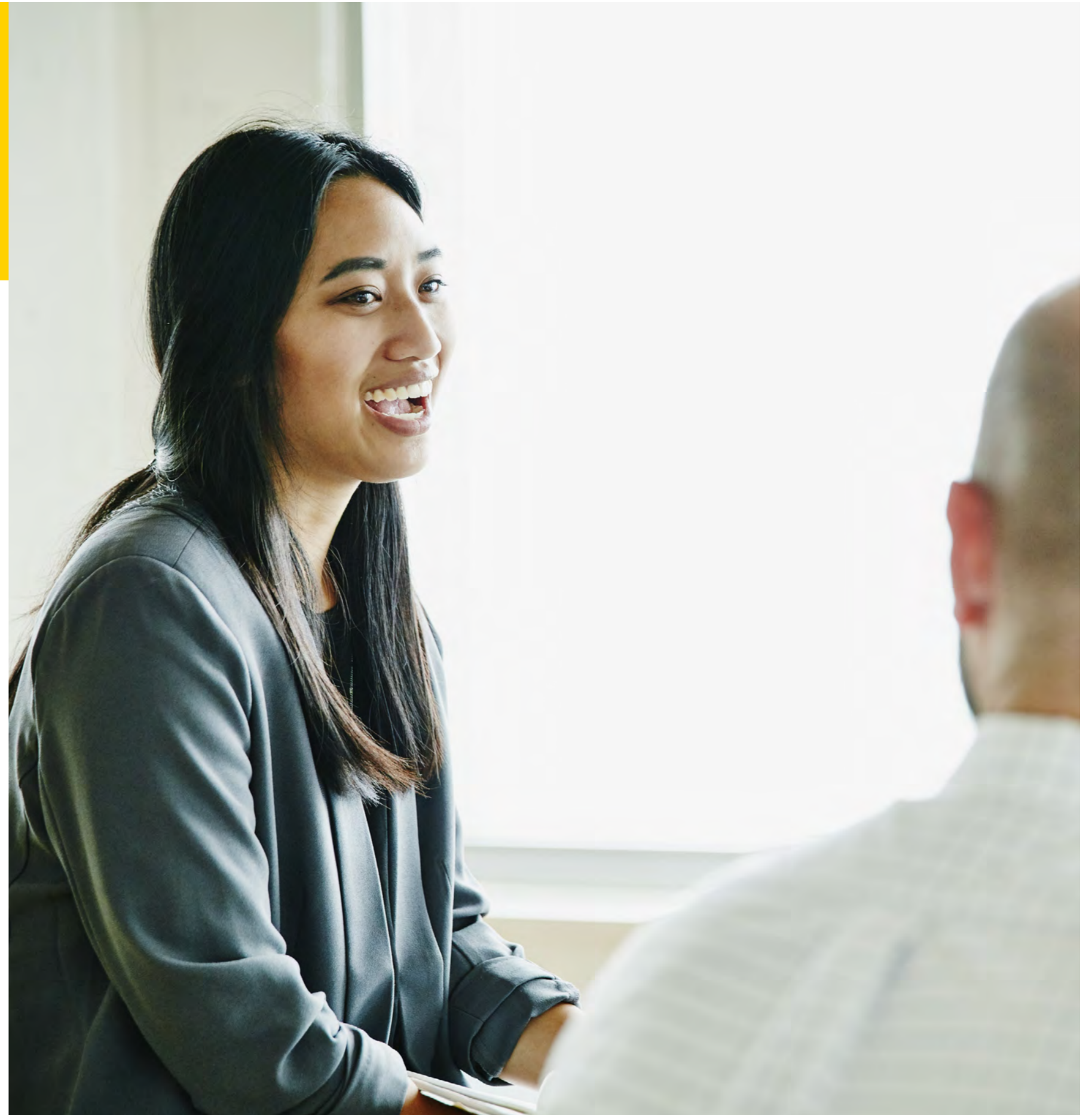
More and more, organisations are aware that values must resonate with colleagues and that this is how the values will come to life in the culture. Values dictate behaviours, and they shape the way people work together. They're also at the centre of daily operations and the running of the business, including conflict management, the recruitment process, ideas for growth, and challenges that arise. When they're used as a tool for creating a common language it's found that there is more efficiency and a better understanding between people.

Because the values are such an important part of the recruitment process, they seem to be interwoven into every other aspect of an organisation quite organically from that point on.

If people are recruiting for values, it stands to reason that the values would be present consistently in daily operations. If the strategy set out by management also incorporates the values, one could suggest that a two-pronged approach takes place: The values are present from the side of the employee; they've been hired because the values seem to already exist within them. The values are present from the top down, in the value statement and they are built into the company policies and strategies.

Success metrics show that when strong values are present, the company moves forward and bottom lines are positively affected.

**It's vital that everyone invests in the living of the company values, including executives and management.**

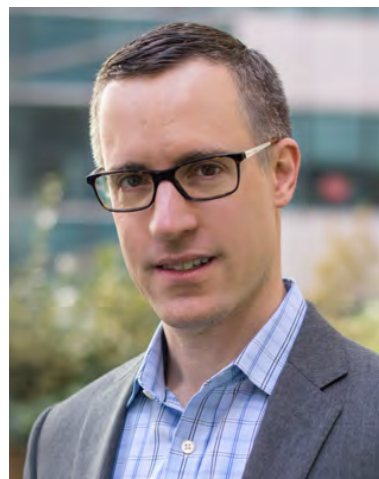


## CASE STUDY

# i Jonathan Finkelstein , CEO // Credly



As the world's largest network of verified talent, Credly helps organisations make better human capital decisions based on trusted information about what people actually know and can do.



The rise of skills-based hiring is dramatically shifting the way employers approach talent management – and frame their own learning and development programs – for the betterment of organisations and employees.

Why is skills-based hiring essential?

Credly's CEO, Jonathan Finkelstein says,

**“Dismissing people from consideration for opportunities based on opaque proxies like whether they have a college degree summarily dismisses large numbers of people who would otherwise be a great match. This not only prevents individuals from achieving their full potential and reinforces systemic biases, it also hampers the ability for organisations to meet their most critical human capital needs.”**

Credly helps the world speak a common language around skills, knowledge and capabilities, removing barriers to talent mobility, career happiness, and a more diverse and inclusive workforce.

## The Challenge

According to Finkelstein, putting Credly's values on paper and defining them required a thoughtful and inclusive process. There was a need for the values to be meaningful and speak to what makes Credly unique and not be a checkbox activity to get done and aside. The company wanted the values to inform everyday decisions and company culture, and be a governing set of principles that would help the organisation navigate opportunities and challenges as it grows.

There was also a desire for the values to be authentic, which meant that all colleagues had to be consulted so that the company could elevate what was special about its culture. Credly's leadership team wanted to ensure the company's employees had a sense of ownership for the stated values of the organisation.

Another key consideration when defining Credly's values was ensuring they were a framework for decision-making. It was important that Credly's values serve as guideposts toward continuously encouraging improvement. The values should be grounded in the reality of what Credly represents and what it stands for, but also be aspirational. They describe ideals that the company wishes to manifest through its actions and ongoing growth.

This means that the application of the values is imperative to the health of the company.

**Finkelstein says that they had to grapple with certain questions while defining the company values:**

- How do you apply values to talent management and organisational processes?
- How do you apply the values when handling conflicts that arise?
- What happens in situations where the values may be in conflict with one another? What prevails?
- How does one make hard decisions when certain ideas or opportunities don't align with the values?

Values needed to allow for consistent application of rules, hiring processes, cultivation of managers, empowering people, and praising people.

It was important that their values would serve as the foundation to a standard approach for cultivating talent and dealing with issues, and act as unifying principles that help grow the company.



**Credly reports the importance of their values being authentic. All colleagues had to be consulted so that the company could elevate what was special about its culture.**

## The Solution

As a start-up, the company had common core values that were important to the founding team. As the company grew, it was important that the vision and mission were clear so that the values would have power and clarity.

This meant that they had to really know what they wanted to do in the world and understand the ideal values of the people they wanted to work with and employ. Finkelstein says this is vital because people live by their own values, making business culture adaptable. It can change with each new person added to the team.

A values committee was set up to revisit, refine and document Credly's company values. Members of the committee were from different departments and levels of leadership within the organisation. They hired a third party with expertise in this type of work which facilitated exercises, defined, and tested the committee's thinking.

The committee came up with multiple versions of potential values, then vetted their initial thoughts via surveys, conversations, situational-style questions, ratings and rankings across the entire company. The committee took a data-driven approach, whereby trends and consensus were measured across the organisation.

After gathering feedback from the company's employees, the values committee met again to see if the reported trends were correlating with the proposed newly re-stated values. Based on that data, the values committee made their final recommendations, which the Head of People Ops (HR) presented to the CEO. As the final decision-maker, the CEO made final refinements and approved the company's values. The final stage was to roll out the values to the company.

Credly aims to formally revisit the values at least once a year, continually testing them out. So far, the company finds that their values are more enduring because their culture serves to support the ability to live them.

Work groups exist so that people can talk about the values, including how to embody them, and what happens when someone or something is falling short. There is also an on-going values committee, made up of volunteers from different departments, which monitors the presence of the values across the organisation.

There is constant evaluation of how the values affect Credly's customers, and the values form the basis of how everyone interacts with each other, customers, and the ecosystem at large. They are present at board meetings, in conflict resolution, and in the hiring and interview processes.

### In practical terms:

A pyramid diagram illustrates how the values sit alongside all levels of the company.

- The Vision sits at the top.
- The Mission sits directly below this and is used to support the vision.
- Annual priorities (or core themes for a calendar year) sit below and are used to advance the Mission and Vision.
- OKRs (annual and quarterly) are tracked across departments and at the company level and team levels.
- KPIs provide day-to-day analyses of how the business is doing, from the top down.

The values sit alongside all of this – they continually ask if the business is operating in a way that's consistent with who they are.

There is consistent messaging at Credly in areas like hiring and sales, because the values inform the way they interact with outside stakeholders – including the decisions everyone makes when no one else is looking. So when you hire, you should be able to see the values in the candidates: Can they embody the values? This is a key factor in the interview process.

At Credly, all conversations are informed by values. When new programmes or initiatives are rolled out, this presents an opportunity to put the values in action. How does a company advance in alignment with its values? It's vital that the values are relied on to do what's important, and also what is right.

### Credly values:

The values were developed for the team and are stated in a way that customers can appreciate and understand. It was important that Credly have a system of values that sets up who they are for themselves as well as the customer and provides an understanding of how Credly functions.

- Pursue Happiness
- Foster Empowerment and Ownership
- Bring Data, Take Action
- Learn, Adapt, and Grow
- Honour Achievement and Show Humility
- Earn Trust Every Day

### In summary, our study of Credly's use of values in leadership shows us:

1. Values are a metric by which company culture can be measured
2. For values to be authentic, a consultative process should be followed in value-creation
3. Values allow for consistent application of rules and processes
4. Values affect customer expectations
5. Management and executives have to live the values

## CASE STUDY

ii

dermalogica

## Candice Gardner, Education Manager- Digital and Content, UK & Republic of Ireland // Dermalogica



Dermalogica is a company rooted in education. Long before the products were launched and the company had grown to the size it is today, the seeds of company values were sown within the founders' ideology and beliefs. These organically infiltrated into the company as it grew.

We spoke to them about how these values have evolved over time and the challenges that they've faced in aligning the values of so many different people, across the world, in over 100 countries and cultures.

### The Challenge

Dermalogica's core values of education, personalisation and human touch have always been part of the culture, from the inception of the brand. Intentionally and proactively reflecting on these company values as the brand grew globally was important so that they could be formalised. Failing to do so would risk the values being diluted, or lost altogether.

### The Solution

Distilling the brand culture and ethos to the three guiding principles could help steer activities and decision-making across the organisation and within multiple cultures, languages and standards of practice.

Dermalogica product and service development, commercial activities and programmes and customer service would be led with these values at the centre – like a compass to keep the company on course.

Always looking to upskill and advance knowledge with education, providing personalised solutions, and delivering the brand offering with authenticity and positive intention, the element of 'human touch', sets the company and service standard. These principles seem appropriate especially considering that the group is largely concerned with skincare and partnering with educators and therapists.

To ensure that these values are present at all levels of the organisation, the induction and onboarding of all corporate and skin therapist staff includes exploration and familiarisation with the company values at an individual level. Understanding how within each role the values can be embodied helps staff to live the values.

Values are intentionally reinforced through consistent mentoring and at regular "tribe talk meetings", monthly check-ins where all strategies and activities are shared, and projects are aligned to the guiding principles.

For example, through an outlier customer experience programme launched in 2020, Dermalogica has made their values easy to remember and therefore fully accessible through the acronym CLEAR - fitting, for a skincare organisation.

**Values change the way that people feel about working at a Dermalogica, for the better.**

- C - Connect:** Authentic emotional connections develop positive working relationships and builds trust – speaking to the human connection principle.
- L - Learn:** Embrace and share knowledge - embodies the principle of education.
- E - Experience:** Elevate the experience through personalisation
- A - Advise:** Bring education and personalisation together with powerful solutions.
- R - Reconnect:** Return once again to the element of human touch, maintaining a connection between the corporation and its affiliate partners and ultimately, with the end user / customer.

Speaking of Dermalogica's values, Candice Gardner says,

**“Beauty can be seen, at times, as a little bit superficial, so for us, it's really important that we don't exploit people's insecurities. It is the reason we focus on skin health and education, but also prioritise a personalised approach with empathy and humanity. Commerciality can sometimes override authenticity and values because business is trying to be successful at driving revenue. For Dermalogica, we strive to be authentic and value led in our interactions. Integrity is essential and that's part of the human touch connection which is so important to our brand identity. How we use our voice, our intention and our collective humanity shapes our brand and determines how we operate as whole.”**

Gardner points out that some of the challenges faced when instilling values across all levels of a corporation the size of Dermalogica include helping individuals understand how to translate those values to their roles specifically. With a diversity of people from finance to therapists to marketers and strategists, the question of how to embody company values, while retaining individual talent and creativity and personal beliefs, remains the greatest challenge, with a very real corporate reward when achieved.

Gardner describes the importance of company values being embodied throughout the company, saying that any organisation would want to have engaged staff that drive the business forward through active and aligned participation. When you foster that kind of organisational engagement, you also foster staff unity and commitment.

“If everyone is working to the same purpose and same values, everyone is moving in the same direction and that is where success comes from,” says Gardner. The result is not just a few individuals upholding the company's well-being, but an entire corporation of individuals who feel that they are making a valuable contribution, and one that is greater than the 'bottom line.' It changes the way that people feel about working at a place, for the better.

**In summary, our study of Dermalogica's use of values in leadership shows us:**

1. Instilling company values is intentional
2. Company values do not infringe on personal beliefs
3. Positive company values enhance creativity and talent
4. Strong company values invite collaboration
5. Celebration of individual and collaborative success enforces values





## CASE STUDY

iii

Rural Payments  
Agency

## Jake McClure, Director of Organisational Capability, United Kingdom // Rural Payments Agency



**The Rural Payments Agency (RPA) is an executive agency sponsored by the Department of Environment, Food and Rural Affairs (DEFRA).**

They're an organisation committed to world class farming and land management for the environment, food, and rural resilience and a voice for farmers and land managers. Their work encourages sustainable and profitable farming, and they help agricultural and rural communities to create a better place to live through delivering economic growth, environmental sustainability and supporting agriculture through designing and delivering schemes which aim to place British farming at the forefront of environmental good practice, supporting net zero and enhancing our natural environment.

They deliver over two billion pounds a year to ensure sustainable farming and to develop the countryside.

We spoke to Jake McClure, RPA's Director of Organisational Capability in the UK about their values.

### The Challenge

Historically, the RPA has been relatively hierarchical and when the present CEO took over, he and Jake were keen to create a bottom-up movement, give people the autonomy and confidence to take decisions at all levels and to crowdsource the things which were most important to their people – including co-creating the vision, purpose and values.

Once the vision and purpose were agreed, the primary challenge was to underpin this with values which resonated with everyone and genuinely meant something – as well as being part of performance management. In this way, opportunities would be extended to deliver in the moment but also to make the agency and its people ready for change – whether as a result of EU exit, Covid-19 or machinery of government changes.

The RPA decided that a people plan would be co-created by everyone in the agency, which in turn would help draw out a core list of values through the themes which were most important. This way inclusion would be encouraged, and opportunities would be open to the collective.

At the stage that this was being formulated, the aspiration in terms of corporate governance was to create a culture of decision making at appropriate levels – rather than everything being escalated to the Executive, Jake wanted to promote trust and accountability and embarked on a review of the governance mechanisms including a new People Forum. This led to a culture of change within the organisation.

Anyone was able to join the People Forum, but the employees spanned the whole country so it was difficult to comprehend what the people forum was actually doing on a day-to-day basis.

Additionally, there was scepticism around this proposal – staff members felt that this had been tried and tested before, and had not yielded the results that had been promised. How would this time be any different?

Two other challenges presented themselves in the form of Brexit and the Covid-19 pandemic.

### The Solution

From the outset, there was a commitment to humanise leadership within the RPA through practicing what they preached – authenticity, honesty and trust. Leaders did not want to be seen as dictating the values to their people with words on a page. They wanted values to be grown organically.

By ensuring that the values articulated how the organisation already behaves, instead of dictating to it how it should behave, a belief was cultivated around the values from the beginning of the process.

The RPA believes that people should be proud when they talk about the work they do. Making sure the values resonate with that already-existing pride, and linking them back to the vision and purpose, are two strategies that have made sure that everything interconnects.

McClure says,

**“All of our people are encouraged to think and talk confidently about what they do – but also how they change lives. By focusing on the outcomes we deliver for our countryside, we carry our principles and honesty through to our customers, government ministers our colleagues across the Civil Service - and the everyone wins.”**

### The RPA's seven values are:

- Visible
- Engaging
- Respectful
- Inclusive
- Trusted
- Accountable
- Supportive

Together this spells 'VERITAS' – which means 'the truth'. There is consistent messaging that everyone has the right to speak the truth, and to speak truth to power, regardless of their position, where they are from and who they are.

This messaging is supported and reiterated across all communication channels and more importantly, modelled from the top and throughout the RPA.

The simplicity of always doing the right thing in the right way is known as the RPA way. People are encouraged to feel safe and comfortable to challenge people who aren't doing things the RPA way.

When people deviate from the values, they are challenged. A balance must be struck between relentlessly challenging deviation, without being Draconian. It requires that senior members always embody the values, and set an example, so that the values aren't created in isolation.

The RPA then embarked upon creating awards ceremonies and recognition events, including the annual VERITAS awards. There were people across the entire agency who helped to put together the events. Organisers were grade-agnostic and it was an inclusive process of nomination.

Key areas identified for acknowledgement included: visible leadership, engaging customers, respectful behaviour, inclusive culture, trusted reputation, accountability to others, supportive learning and development.

There was also a standalone delivery award for collaboration and innovation.

The awards followed an inclusive process – anyone could nominate anyone, and it wasn't up to the managers to decide who was eligible. The major challenge for the ceremony was the Covid-19 lockdown. The awards were hosted virtually. Where initially, this was thought of as a hindrance, it allowed all nominees and sponsors to join the ceremony via Zoom. There was very little formality – no dressing up; kids and pets were around; and the absence of hand-shaking meant that the ceremony was focused much more on the values and the authenticity of everyone who was there.

McClure says,

**“There has to be trust between everyone - from our people and our Defra colleagues through to our Ministers, our sponsors and our board members.**

**The trust is backed up with people surveys, regular touch-in's with leaders, open virtual drop-ins and coffee events, all agency calls, and a strong commitment to Equality, Diversity, Inclusion and Social Mobility. A clear consistent authentic voice is what will widen the community and make sure that people are supported during complex times.**

**Authenticity underpins the values, as well as employee engagement, customer experience, operational processes, community outreach and stakeholder engagement.”**

Ultimately the values are there to empower people to connect to the communities where they live. Many of the people who work for the RPA have a deep connection with rural and agricultural communities and the values deepen this connection and cement belief in the improving reputation of the RPA.

### In summary, our study of RPA's use of values in leadership shows us:

1. Value co-creation encourages inclusion and opens up opportunities
2. Organisational values can articulate what already exists in the company, provided people are proud of it
3. Senior leaders must embrace the values so that values aren't created in isolation
4. Strong organisations value empowered people
5. Trust and consistency enforce values
6. The most important aspect of everything is to practice what you preach







CASE STUDY

iv

**St Giles**

Turning a past into a future

# Andy Cross, Director of Services & Kate Vaughan, Head of Fundraising // St. Giles' Trust



St Giles' Trust is a charity that uses experiences and real-life expertise to give people the help they need. They work with people who are victims of poverty, abuse, mental illness, addiction, as well as those living lives of crime (or a combination of these things). They try to show them that they can have a better future, by providing advice, support and training.

We spoke to Andy Cross, the director of services, and Kate Vaughan, head of fundraising about the values at St Giles' Trust.

According to Vaughan:

**“The values are a driver for the organisation; they drive everything that we do. They ensure that everything we do fits with the organisation and its culture. You can build on them, and attract staff with the same values. They reinforce positive behaviours and culture. They’re there to reflect on the organisation, but also to shape it.”**

According to Cross:

**“The values help to easily build the right culture within the organisation. The staff group are able to identify their own passions and emotions and then share them with each other, so that these become shared ideals. They tie the team together much more closely – we no longer become just an employer, but we foster the feeling that Saint Giles is a family.”**

**The values act as:**

- The same driver
- A common cause
- The basis for everything they do

They also attract staff that fits the culture. These people are more likely to fit in, stick around and excel.

A common set of values is important to make everyone feel that no one is different.

## The Challenge

The values themselves were non-controversial – all staff are proud of the values, mostly because all staff were involved in the creation of them. The values feel relevant to everyone.

The challenges have been around the expectations placed on staff by managers, the Senior Management Team (SMT) or the organisation as a whole. When staff can't meet expectations, that can create difficulties. They would never fire someone for not living up to the values, but they do need to ensure that the values are consistently applied across policies and procedures to maintain consistency and fairness.

The benchmark around behaviour and performance are especially important because of the kind of clients the charity works with.

In essence, because they underpin everything St Giles' Trust does, the values set the benchmark around behaviours and performance. This includes putting a framework around our expectations in how we work with clients and provides the golden thread through all interactions at both organisational and individual levels.

Remote working during the pandemic has presented challenges and they've had to look at how they implement values internally. The values did hold the organisation together during lockdown and, when tested like this, the values have proven to provide real strength.

## The Solution

St Giles' Trust's values underwent review in 2017. Starting with the annual staff conference (which involves all staff), presentations were given to and by the staff. This included testimonies from volunteers and staff about how they came to be at St Giles' Trust and their lived experiences. This exercise went a long way to uplifting, inspiring and bringing people together.

Through that day, group exercises were performed to identify the key values that the staff felt were integral to St Giles' Trust. The staff broadly agreed on what the values were despite not having had a formal statement before this. Common themes emerged very clearly.

From this a word/statement cloud was created. The Senior Management Team used this as the basis to craft a more formal presentation of the values.

Vaughan, the head of fundraising says that more recently, those values were embedded into a wider branding exercise. Before this, the brand didn't reflect values of the organisation, so what they were selling to the world wasn't actually who they were.

The brand re-design ensured that the language of all communication and collateral reflects the values. This includes fund applications. It's led to a massive difference in how they present the charity. The values and the core mission are far more apparent.

When speaking to the idea of recruitment, Vaughan says,

**“The values formulated attracted me to the organisation – it's clearly a strongly value-driven organisation.”**

Once the values had been co-developed and agreed upon with the staff, they needed to be implemented internally and publicly.

The articulated values were communicated back to staff via brightly-coloured printed posters/print media and other media throughout the sites and offices. This was to make clear that the values came about as a result of the exercise at the annual meeting.

Values are reflected in all documents, and are the basis of strategic planning and communications at all levels.

In the form of their LOVE document – Living our values every day – which is disseminated to staff, the values are clarified to ensure that staff live them every day and understand how the values translate into everyday actions.

Before this 2017 process, St Giles' Trust had not had a formalised set of values, even though it's been around since the 1960s. This meant that there was an inconsistency throughout the organisation. Phrases and statements had been put together by SMT but they were not holistic, and had no real established authority.

The charity has always aimed to help people overcome barriers. In 2000, however, the charity underwent something of a change when there was more focus on their peer focused work and a commitment to employing staff who have lived experience.

Both Vaughan and Cross say that the organic process of having the staff articulate the values was incredible - common themes came out strongly.

Vaughan says that this process of change means the charity has moved from “these are our values as an organisation” to “these values are going to drive everything we do. Do our actions reflect our values – if not, why are we doing it?”

The values are a defining fixture that sit alongside the mission, and are seen as an asset and a selling point of the organisation.

They've become an important selling point to funders/volunteers. They've had positive feedback on the values from external stakeholders. Specific feedback indicates that there is clarity around the values; the values are practical in nature; and it is easy to apply to actions and behaviours.

The values are straightforward, proactive, and easy-to-understand and implement. They don't just sit on the side of the charity. All stakeholders are actively seeking out ways to implement them into actions and documents.

The aforementioned LOVE document measures KPIs against the values, and this is part of the performance review process. Managers use this LOVE document as a basis for performance reviews. Specific behaviours are highlighted for different roles in line with values.

The values statement is a “live document” – it must be applicable to people's own roles and work situations. Behaviours are monitored as much as actual performance.

When the values are practised, they will look different at different levels, relevant to what each individual does.

The values are neither “aspirational” nor “prescriptive” – instead, they're a reflection of the organisation; people actually identify with them; they represent something that they already live every day. The values celebrate what the organisation excels at rather than what it “needs to be.”

The charity is made up of so many people from different backgrounds with nothing apparently in common - the values help to create a unified organisation, giving common ground where none existed before. This shows that diverse people can work together because of underpinning values.

It is a living document that is reviewed as the organisation grows and the barometer against which all standards are measured.

The values are about DOING things; a change of values would mean a change in St Giles' Trust, into a totally different organisation. The values define who the organisation is and projects they take on; the way they work; and who they employ.

The values lay the path for the organisation to make real change. Vaughan and Cross say that they hope other organisations will follow suit, which is why they feel it's so important to express and communicate those values externally.

### St. Giles' Trust statement of values:

- Positively empowering
- Flexibly creative
- Actively inclusive
- Persistently supportive
- Proactively empathetic
- Clearly communicative

### In summary, our study of St Giles' Trust's use of values in leadership shows us:

1. Values attract a particular kind of employee
2. Clear values lead to positive feedback from external stakeholders
3. Values create a unified organisation that celebrates diversity
4. Values create a staff body that fits the culture
5. Positive, lived values drive an organisation

## CASE STUDY

## V Janet Leighton, Director of Happiness, United Kingdom // Timpson Group



Timpson is one of the UK's leading retail service providers. The group behind brand names like Timpson, Snappy Snaps, Max Spielman photo shops, Tesco's Max Shops, Johnson's The Cleaners, Jeeves of Belgravia, as well as photo printing kiosks, photo booths and locksmith vans all over the country, they provide employment to over 4000 people.

In their interview with us, Janet Leighton, their Director of Happiness, explained the role that their company values play in the recruitment process, and how these values are consistently reinforced as part of a people-centric approach to their colleagues and their customers.

### The Challenge

Approximately twenty-five years ago, John Timpson (now the chair) recognised the importance of a management style that would nurture a culture of belonging. He introduced a principle known as 'upside down' management, where senior people in the company would take ownership of issues, and would support from the bottom up.

#### Out of this were born their three foundational values:

Honesty

Integrity

Trust

With the aim of making colleagues feel like they belong, and to make sure everyone feels looked after, the end goal is to create a happy and productive workforce who have fun and work hard.

The values, however, are not formalised. They're not written down in the traditional way that companies would write down their core values as part of their business model. When asked, colleagues describe

these values in their own words. Ultimately, they're all saying the same thing and they all seem to know what the values are. The company believes in keeping things simple so that staff members are able to do what feels right.

This organic approach gives colleagues an unusual amount of autonomy in the daily living of the company values. The lack of a formalised approach to value training has three identified risks:

1. Sometimes colleagues struggle with this level of freedom and need extra support to embrace it
2. There are colleagues who continue to struggle and who, ultimately, leave the company
3. Some people begin to seek more authority and start to tell others what to do, which goes against the principles of the company.

A final challenge: The nature of the company dictates that people are spread all over the country. Keeping the values alive in all employees across a great distance is a challenge faced not only by Timpson, but many corporations all over the world.

### The Solution

Timpson is aware that giving colleagues this amount of freedom and autonomy in practicing the company values can be problematic. To mitigate risk from the outset, they implement a particular, if slightly unorthodox, hiring strategy. Once the hiring process is completed, there are practices that are routinely carried out in order to maintain a level of colleague satisfaction.

When recruiting for a role, Timpson asks for telephone numbers and names only. They don't read CVs. The reason for this is because they want to know what their prospects are like as people.

They then meet the potential employee in person and get to know them. They ask them about their

beliefs, their friends and family, their hobbies, and anything else that might speak to values.

Essentially, Timpson recruits a specific kind of personality. They believe they can train anyone to do the actual job; but the personality is something that is either there or not.

They also recruit ex-offenders from Prisons. The reason for this is that if someone is willing to talk about their experience, and their plans for the future, they have the potential to espouse the company's values out in the field.

**Measures are in place in order that company values are practised internally and externally. The purpose of these measures is twofold:**

- To ensure that the colleagues feel supported, happy, and well-looked-after
- To ensure that customers, clients and suppliers receive the most professional service from employees who are always willing to go the extra mile

**The company has two rules (aside from the usual health and safety guidelines):**

- Look the part (smart, with your badge etc)
- Put the money in the till (don't steal time or money)

Everything else is simply guidelines. It is unusual to give a colleague body this much autonomy, but it works.

Communication is key. James does a two-and-a-half-minute video every week which is sent out to every member of the senior team. They then filter that message out to their teams. The communication spreads effectively and quickly, and it is proving to work very well for them. Group communication is sent out electronically, as well as a weekly glossy Timpson Group News and is always full of good news.

It's vital that all values are adopted by all colleagues, and not just by senior management.

How can one measure this in over 4000 people spread across the country?

Each area Manager has two or three Area Development Managers. They are involved in arranging rotas, doing shop visits, supporting colleagues and training. The onus is on them to make sure certain things are done – they are largely responsible for doing this themselves, with no one setting out a pre-planned process or checklist.

Timpson makes sure to nurture this behaviour. Colleagues are encouraged to make decisions and to be autonomous. The company provides empathy and a strong network of support, allowing managers to step into their roles with confidence. Many area managers are homegrown and have progressed within the business.

Janet Leighton is tasked with the job of traveling around the country and checking in on how people are doing.

**As a measure taken to ensure that values are being lived out consistently and are effective within the organisation, Timpson has one formal employee survey each year in April. The survey is simple. It asks each staff member one question: How happy are you with the support of your area team?**

## Metrics happen in two main ways:

### 1. Customer feedback is recorded online

Customer feedback is always positive. Due to the recruitment process mentioned previously, the company is almost always certain to hire people who treat others with respect. The interest in their external lives during the recruitment process points to how potential employees will approach their work. The company's value system places importance on a certain level of trust: Work is an extension of home life. If people treat their family and friends with respect, then they anticipate (and trust) that that behaviour will extend into their work.

### 2. Employee Survey

Timpson has one formal colleague survey each year in April. The survey is simple. It asks each colleague one question: How happy are you with the support of your area team? The colleagues are then able to fill out any information they want. The only compulsory information needed is the name of the area Manager. All other information can be anonymous.

The results of the survey are generally positive. If there are any issues, they are looked at and a plan is put together to rectify the situation. Timpson has found that the benefits of company values allow its people to celebrate success and move on quickly from failure.

The results are tangible – the business is thriving. So much so that they were able to pay all colleagues 100% through the furlough period of the Covid19 pandemic.

The business has grown from 180 branches, 25 years ago, to 2140 branches today. In 2018 the turnover was 300 million GBP. According to Leighton, the real success story of this company is that the values are simply based on a culture of kindness.

**In summary, our study of Timpson's use of values in leadership shows us:**

1. Lived values create a happy and productive workforce
2. An organic approach to values gives employees more autonomy while living them
3. Company values allow people to celebrate success and move on quickly from failure
4. Strong company values lead to a thriving business
5. Trust enforces values





## CASE STUDY

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IBM

## Jenny Taylor, IBM Foundation Leader, United Kingdom // IBM

IBM is a leading international information technology company. It is headquartered in New York, USA and has offices in 170 countries, including here in the UK.

We spoke to Jenny Taylor, IBM's Foundation Leader, about how their core values were developed; how they measure the application of these values in the work of their employees; why they're important and the challenges they've faced in instilling them.

Jenny's role is to manage early professional programmes – grads, interns, apprentices and trainees.



IBM's values were updated and formalised in 2003 via a company-wide consultation process when people from across the business could participate to share ideas via a "worldwide company jam". This took the form of an ideas meeting which was structured to a degree, but allowed everyone to share their ideas and thoughts online from across the entire organisation.

As a technology company, they are extremely proud of the positive reputation they have cultivated for the highest standards of data security and privacy; and of their longstanding commitment to diversity.

The company has been outspoken in terms of its position on actions within government that do not align with its values. Based on candidate feedback, these values are a major factor in why people apply to work at IBM.

### The Challenge and the solution

Operating across so many countries, time zones and cultures, the challenge was how to source ideas from everyone involved.

Clear communications in such a huge company has always been a priority, as is a focus on making sure staff feel connected with an active intranet. Communications come from the highest level throughout the organisation on a regular basis.

Language and time zones can also present practical challenges but they don't stop the company from creating a unified company culture - IBM's long history and well known reputation may have helped in this regard. To create an all-inclusive "jam", IBM was able to leverage its own digital platform. Originally created to allow its clients to conduct employee engagements such as this, it enables people to share their ideas online, analyse and extract trends and themes from the information provided.

Once the values were defined in 2003, the CEO released and promoted them. This was supported with an internal communications plan, which was supported at the highest levels.



## The Results

### The core values of IBM are:

- Dedication to every client's success
- Innovation that matters for our company and for their world
- Trust and personal responsibility in all relationships

The values are underpinned by nine practices that define the behaviour of IBM'ers, and what the values look like in action. There is great emphasis placed on sharing expertise and celebrating "wild ducks." These are the less conventional employees who are fantastic innovators.

IBM doesn't foresee their values changing. Rather the ways in which the values are lived and implemented (its culture) will change and shift all the time. For example, they recently worked very closely with medical research companies in order to support them through the Covid19 pandemic.

### The presence and execution of the values is measured in several ways:

- Annual assessments, which include looking at whether behaviour is aligning to the values
- Innovation-based goals for everyone - not only technical staff
- HR pulse surveys are conducted regularly to measure how staff are feeling and coping with challenges - this is part of the trust and responsibility values
- Staff are able to use an internal reward 'card' system to celebrate and highlight people who are good examples of living the company values.
- And while there is no formal process to ensure that value-driven decisions are happening, the CEO is vocally supportive of the values, referencing them in his regular podcast to staff.

In addition to these, a great deal of emphasis is placed on the notions of trust and responsibility throughout the organisation.

### Key learnings

IBM's study into the use of values in leadership has shown:

1. Strong brands build their values around diversity and inclusion.
2. The values espoused by a company have an impact on recruitment, attracting candidates whose values align with the company's, and helping it to retain staff over the long term
3. When people from a range of backgrounds have representative groups within an organisation, they often act as ambassadors in attracting top talent from those groups to the company.
4. Values rarely change or shift, but company culture does.



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