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## VIEWS FROM THE TOP

# Business values

## The behavior employees see from you is the behavior you will get in return

**D**o you lead your business according to your values? Hopefully the answer is yes, because what employees see in the values you project as the leader of the business is typically what you'll get as they perform their jobs and interact with fellow employees, customers, vendors and other business relationships. Employees tend to modify their behavior to mirror their leader — good or bad. And in the absence of stated and well-defined values, employees live by their own values.

If you don't have clearly-defined values for your business, the good news is that establishing a set of values can serve as a key rallying or cohesion point for business relationships and internal teams.

When leaders first start a company, the values of the business are likely the leader's alone. He or she acts on instinct based on their own beliefs, and there's not much time to define values. But as a business grows to 10 or more employees, or if a leader comes into an established companies, the development of values needs to be a team effort to bring the organization to the next level.

When defining and implementing values, I generally recommend clients consider each of the following factors:

### 1. Determine whom to include internally in the process, and how

Depending on what's practical, the process might include discussions with senior managers, middle managers and employees. Some firms take a top-down approach where senior management identifies values, individual managers define the values and employees are then polled for input. However, this approach can make employees feel as though the values are already locked-in and beyond their influence.

Many leaders develop values using the top-down method because it's familiar. But a more effective approach is to work from

the bottom up to effectively involve all employees while using managers to facilitate the process. Start by polling employees on what it's like to work at the company and how it differs from other businesses they have worked for.

Ask what they like and do not like. The management team can then group similar ideas into common themes. Managers can also use the specific employee comments to describe, define and make the values come alive.

### 2. Consider input and feedback from external stakeholders

Surveying key customers on what they like and don't like about conducting business with you, as well as what they value most, can often suggest the types of values your business should adopt. Try to meet with customers on a regular basis to discover changes in what they value most.

It also helps to meet with key vendors and advisers. You may not use what these groups tell you when defining your values, but you can find out what they think about you and which values your business projects toward others.

### 3. Lead with values when initiating business relationships

Once the values are defined, consider communicating them upfront with prospective employees, customers, vendors and consultants to ensure their values are similar. When someone involved with your business does not uphold your values, it can reflect negatively on your business. As the saying goes, "you are the company that you keep." Whom you associate with plays a role in establishing your identity.

Some companies actually hire and fire employees just as much for their compatibility with the business values as they do for

performance. I even know of a company that offers a significant lump sum to employees to leave, if after initiation, they believe they are not a good fit with the company.

Although unique, this approach makes sense because if an employee is not happy and productive, it's better for both parties to part ways. The incentive cushions the transition and avoids someone acting as a drain on the culture.

### 4. Lead the way in establishing values

As described above, it's best to start with the bottom-up approach, but it also helps to consider the values of other companies. This can give you a framework on which to build your values and might suggest ways to consolidate values or ways to break one value into multiple values.

The process of establishing values should also be continuous. Once you have defined an initial set, keep reviewing them to ensure your business operates by those values and to determine if changes are in order. When going through the process, it's key to simply listen. When meeting with employees, customers, vendors and others just ask simple questions and then listen. You will quickly learn what they value and what values your company projects.

Leading the evolution of the company's values is a responsibility that only the top leader can assume. I like to refer to this as fulfilling the role of CVO or chief values officer. Because it has such a significant impact on a company's long-term image and success, leaders must give this aspect of strategic planning serious attention.

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