



## VALUES BASED MANAGEMENT – WHY BOTHER?

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‘Our people are our most important asset’. How many times have you heard businesses make this bold and sweeping statement? Yet how many businesses act as if they really believe these words? That statement is a clear expression of a value, and values are visible through the actions people take, not just what they say.

Values are concepts or mental constructs that capture and express what is important to us. In the context of business the values that are espoused by the CEO need to be followed through in practice. They need to be articulated, discussed, defined and communicated by the CEO and then followed through in practice. This will translate into ‘how we do things around here’, reward and recognition and career opportunities within the business.

Values form the foundation for everything that happens in your workplace. If you are the founder of the business, your values permeate the business. What we are noticing in the current economic environment is that businesses are beginning to realise that the values they hold are an important point of difference between them and their competitor.

So why do valued based businesses have a point of difference? Companies that have well established values frameworks are attracting and retaining the ‘right’ and the ‘best people’. We are seeing that the values have become a point of difference and when people are looking for their next challenge they are becoming more attracted to companies who know what they value and those values align with their own.

And how can applying values based management help your business and why would you bother? In the current economic environment people are hesitant to ‘jump ship’ and move to another company. Better the devil you know seems to be the thinking by most people. However we also find that when people are looking to move on they are taking a close look at the company they are applying to and are basing their application and their decision to join a company on how they manage and not on the salary offered.

As an example, I recently recruited a senior manager for a medium sized company. The candidate had been working in a large organisation in a senior role but was attracted to my client’s company as it seemed to be a growing and innovative business. When we discussed salary with the preferred candidate our offer wasn’t anywhere near the he had been receiving, however he decided to take the role as he could see that the business had a values system that was aligned with his own and there was potential to grow within the business. The candidate was inspired by the

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CEO and his philosophy and the direction he was taking the business. As an employee, working for a company that has a values system that is congruent with yours can be more important than the value of the pay cheque.

You know as an individual what you personally value. If you want to attract and retain likeminded people you need to think about that values your business has, how you communicate them and how that translates into productivity, retention and growth.