

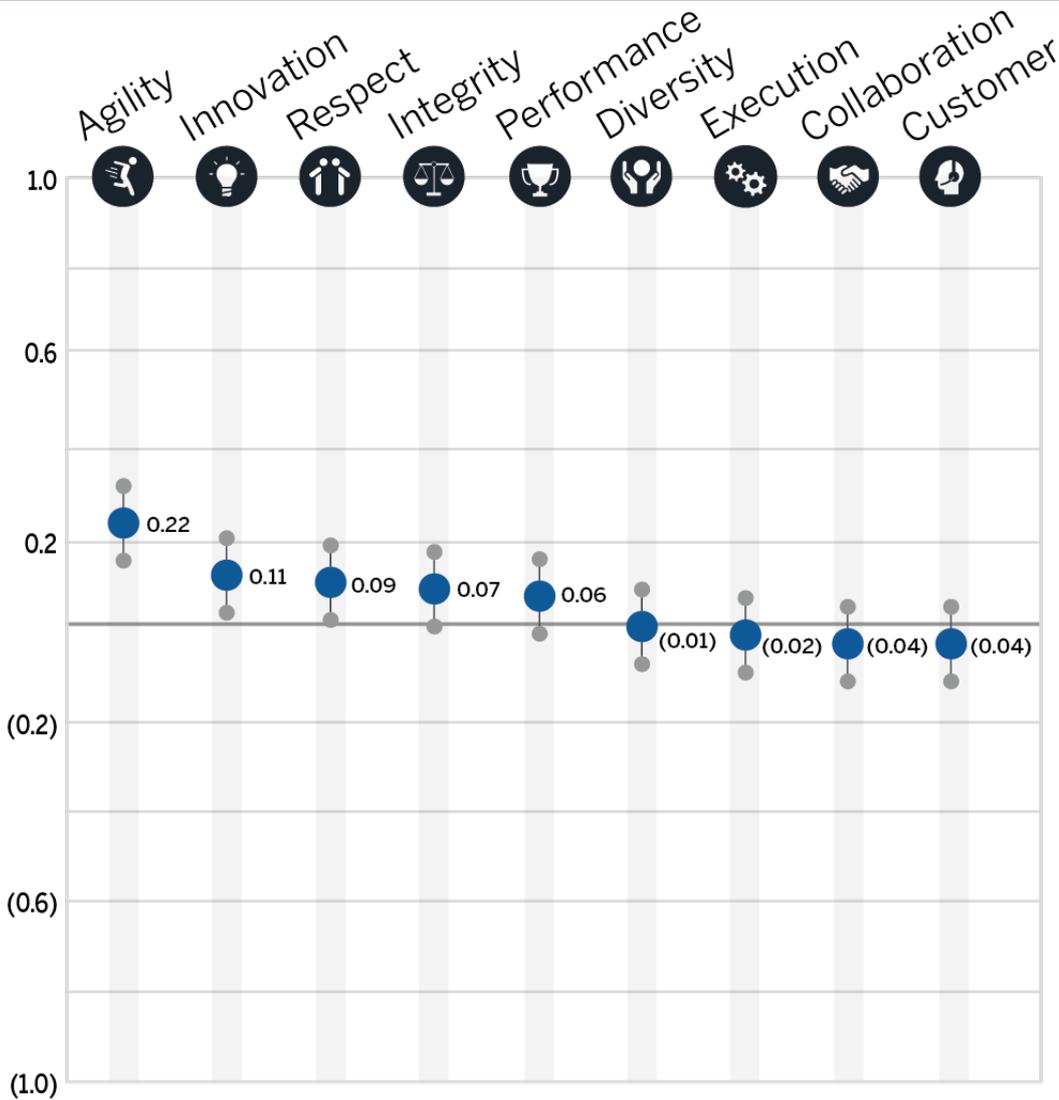
## 5 Reasons why company values are useless and what to do about it

Author: Memory Nguwi . August 2020

The first thing any company does soon after being incorporated is to develop [company values](#). These are meant to be aligned to the vision and mission statement. [Company values](#) are supposed to guide the organisation as they do their businesses. It is expected that every member of the organisation adheres to these values. My own experience as a Consultant helping companies develop *company values* or developing productive work culture shows that there is a world of a difference between the values that companies say they believe in and what is practised on the ground. There is a massive mismatch between what is posted on company walls as values and what is practised by members of the organisation. My assessment shows that the reason for the massive practice gap is that, most leadership erroneously believe that having *company values* drive [organisational culture](#). The ignorance is across the board, as most people do not know that the foundation of an [organisational culture](#) goes much deeper than values posted on the walls or the websites. Employees have treated the massive gaps between company values and what is practised especially by the leadership to mean that they are not important. Employees normally follow the behaviour and practices of their leadership.

In a paper titled “When It Comes to Culture, Does Your Company Walk the Talk?” Donald Sull, Stefano Turconi, and Charles Sull(2020) laid bare the challenges with *company values*. This is why I think they are useless. Let’s start with how many *companies have values*. In a study of 700 companies, they found that 80% of the companies had an official list of [company values](#). That figure is staggering. In practice, though I know, many companies copy values from other companies. In some instances, they just google the values and put as their own. What a tragedy? In the same study, they point out that one-third of Chief Executives Officers across the globe talk about their *company values* more frequently even when they are not asked about them. “Of the companies in our sample, 72% referred to their [company’s culture](#) as values or core values, and even employees at companies that use other labels — principles, philosophy, or ideals, for example — cited values as the foundation of their culture.” Sull, Stefano Turconi, and Charles Sull(2020).

1. There is no or weak correlation between *company values* espoused by the company and actual practices within the same organisations. This finding by Sull, Stefano Turconi, and Charles Sull(2020) as shown below. For *company values* to stick and get practised, they must be linked to important business outcomes. They must be linked to what is valued in the company.



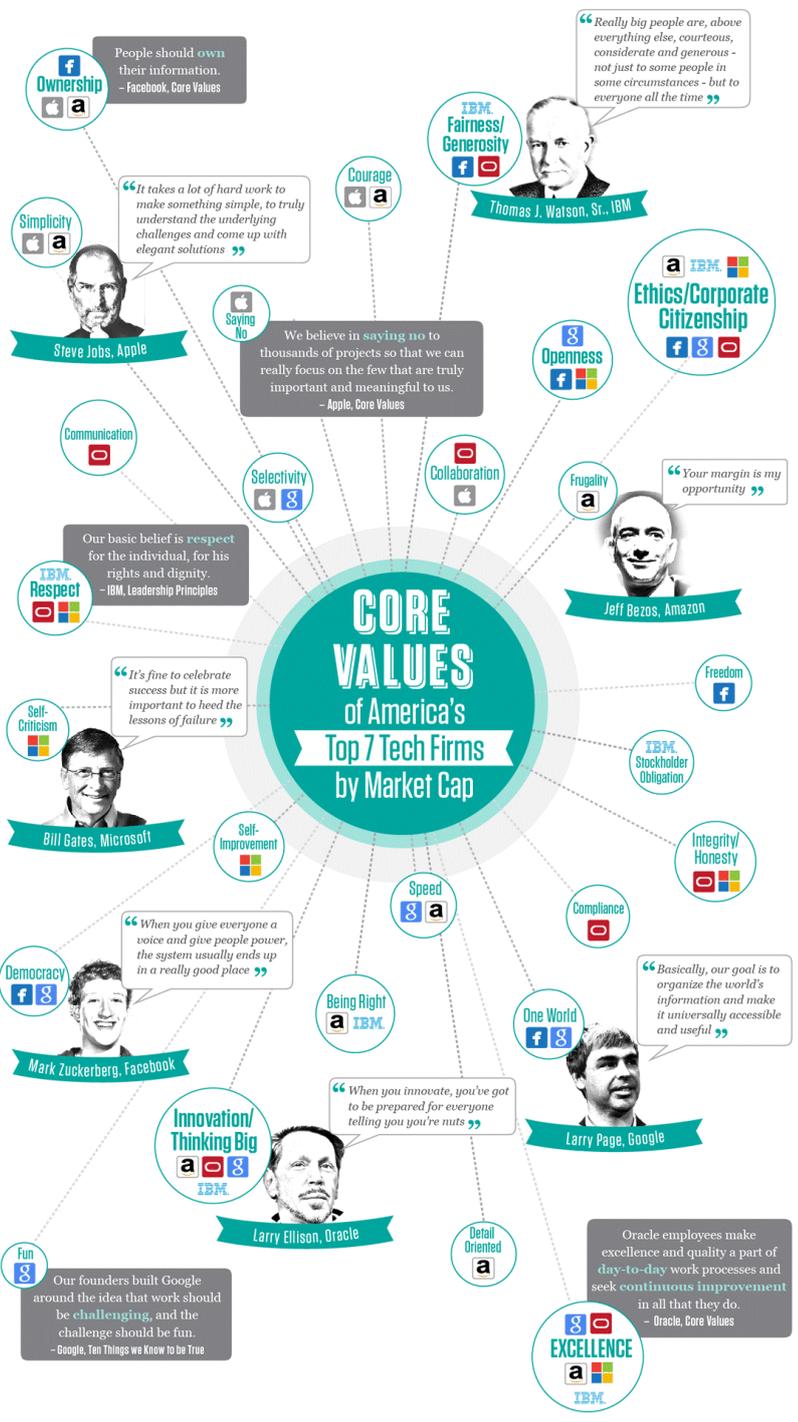
Sources: *When It Comes to Culture, Does Your Company Walk the Talk?* by Donald Sull, Stefano Turconi, and Charles Sull. (Sloanreview)

1. Most leaders cannot remember *company values* – My informal research which I have carried out as I train senior managers on various topics shows that 99% of the participants cannot remember the company vision. The same 99% can not list all the company values without checking on the website or diary. It made me wonder what could be the problem. Are these values imposed or what? How could a whole team of managers not able to remember the values which should be the geological compass for their behaviour. This could point to a faulty process for creating these values. For values to be meaningful to individuals they must resonate with their values. To talk about values of integrity to an individual who does not value integrity is a waste of time as they will never internalise them.
2. The fact that over 80% of the values in companies are the same raises a lot of questions. It points to a situation where most of these values are copied from somewhere, as a result, they do not take root in the new organisation. People know the values were copied from the internet and other companies, therefore they will never take them seriously.

3. Company value statements and value list are vague and are rarely understood by the ordinary employee in the organisation. Creating value statements that are elitist and means very little to employees will lead employees to ignore them. A look at the google value statement shows a clearly articulated values or philosophy statements that leave everyone clear on their obligations

Below I show examples of values from America's top tech companies for you to have a feel of how these values are presented and articulated. Sources: <https://www.mnu.edu/graduate/blogs-ideas/how-organizational-leadership-informs-the-core-values-of-top-tech-firms>

**Core Values of America's Top 7 Tech Firms by Market Cap**



The Top 7 Firms



Presented by:  
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Sources:  
[google.com/about/company/philosophy/](http://google.com/about/company/philosophy/)  
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4. Companies do not take enough effort to inculcate the *company values*. They think sharing the values in company diaries and website is good enough. Research is showing that is not good enough. Values need to be lived every day to make them valuable. The leadership of the company must lead in this regard. The leadership is the weakest link in the process of making sure that values are practised in day to day activities within the company.

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<https://thehumancapitalhub.com/articles/5-Reasons-Why-Company-Values-Are-Useless-And-What-To-Do-About-It>