

# It's vital to have the right values

If you want to stand out in a crowded marketplace, the power of business values cannot be overstated. But what are they, how do you identify them and why should your business have some? Our industry insider is here with all the answers...

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**I**n today's highly competitive business environment, a key differentiator and potential source of competitive advantage are a business's values.

In my 20 years' experience as a business consultant, I'm still shocked – although not surprised – when I ask a business leader what their values are and they're unable to articulate what their business actually stands for.

If the leadership can't articulate this, and they're usually the ones who determine what the values are, what chance do the staff and customers have?

## WHAT ARE BUSINESS VALUES AND WHY ARE THEY IMPORTANT?

Put simply, business values are the set of principles and beliefs that guide the decision-making process of a

company. These values define the core of a company's culture and represent the fundamental beliefs that drive the actions and behaviours of its employees. They are vital to an organisation's success as they can help create a competitive advantage.

As consumers become more socially conscious and aware of the impact of their purchases, it becomes increasingly important for businesses to have a strong set of values that align with the expectations of their customers and with the expectations of their own staff.

Firstly, having strong business values can help a company establish a clear identity and purpose. When a company has a set of core values that are well-defined and communicated effectively, it creates a sense of clarity and direction that can inspire, engage, and motivate its employees. This clarity of purpose can also help the company to differentiate itself from its competitors, which is becoming increasingly important in today's crowded and competitive landscape.

By having a unique set of values that resonate with its customers, a company can also build loyalty, as people prefer to do business with businesses who share a similar values system. It is also worth noting, that in many instances where the business and customers are aligned, customers may be willing to pay a premium for your products or services.

Secondly, business values can help to build a positive company culture. When



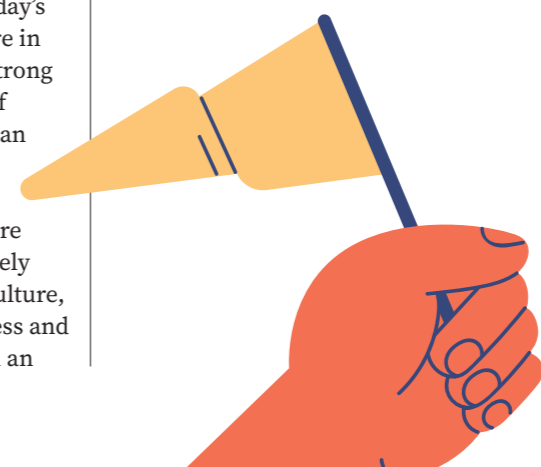
employees understand and embody the company's values, it creates a sense of shared purpose and belonging that can foster a positive and supportive work environment. This can lead to increased employee engagement, productivity, and retention.

Employees who feel connected to the company's values are more likely to be passionate about their work, and they are more likely to go above and beyond to achieve the company's goals.

Thirdly, business values can help to attract and retain top talent. In today's job market, talented employees are in high demand. By having a set of strong values that align with the values of potential employees, a company can differentiate itself and attract the best candidates.

In addition, employees who share the company's values are more likely to be a good fit for the company culture, which can lead to long-term success and growth. Let me illustrate this with an

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## BUSINESS VALUES AT WORK NO2: INNOVATION

A company that values innovation is committed to finding new and better ways of doing things. This means encouraging employees to take calculated risks, experiment with new ideas and challenge the status quo. For example, a technology company might have a value of innovation that encourages employees to develop new products and services that can disrupt the market. Companies who have innovation as a core value will actively encourage their staff to experiment (within reason) to find new ways to deliver for their clients. They accept that some mistakes will be made, but they treat these as learning opportunities. The construction industry has been slow in my opinion to embrace innovation, but with the introduction of MMC, modularisation, BIM, robotics and AI, some businesses have now fully committed to innovation.

example. Many years ago, when I was working for a main contractor, it became very apparent the importance that business values had in the recruitment process. The contractor typically recruited people because of their skillset or experience but never once considered: "Will this recruit fit into the business's culture or share its value systems?"

Unfortunately, what frequently happened was that the business would eventually realise the individual didn't belong and would engineer them out of the business, or the individual themselves would realise the fit was wrong and would leave. Either way, it cost the contractor hundreds of thousands of pounds annually in recruitment costs.

Values therefore need to be a fundamental consideration when employing any recruit, as the cost of getting it wrong can be significant.

Fourthly, business values can help to build trust with customers. Customers are increasingly aware of the social and environmental impact of their spending and want to support companies that share their values and are committed to making a positive impact on the world.

By having a set of values that align with the values of its customers, a company can build trust and loyalty, which can lead to sustainable growth.

Fifthly, business values help to guide

→ decision-making. When a company has a clear set of values that guide its decision-making process, it can ensure that it is making ethical and responsible choices on a consistent basis. This can help to mitigate risk and prevent potential scandals or reputational damage. By aligning its values with its actions, a company can demonstrate its commitment to its customers and stakeholders.

**WHAT HAPPENS IF YOU GO AGAINST YOUR VALUES?**

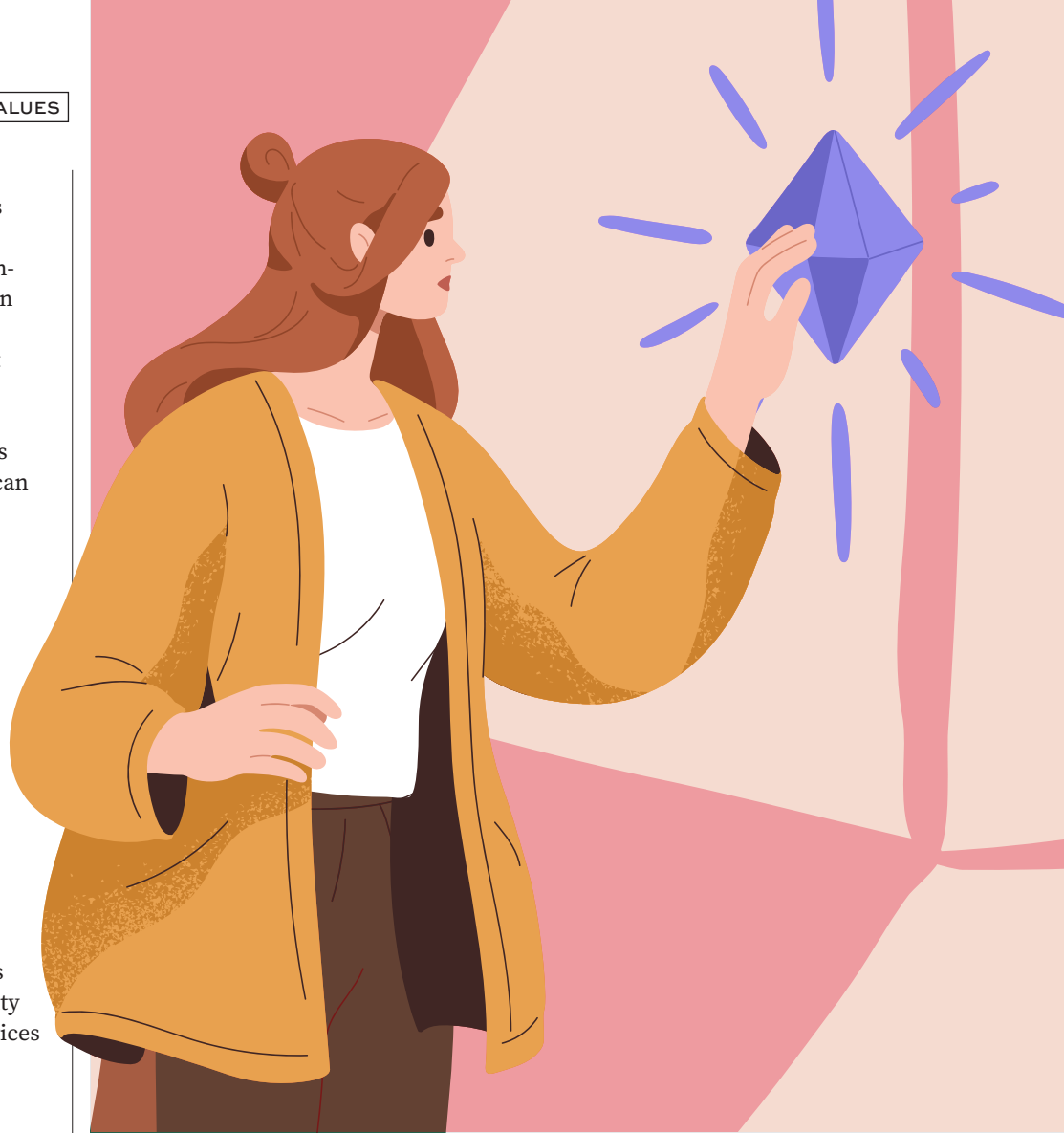
If a company goes against its values, it can have serious consequences for the company’s reputation, employee morale, customer loyalty and overall viability. When a company’s actions don’t align with its values, it can create a sense of distrust and disillusionment among employees, customers, and stakeholders.

For example, if a company claims to value environmental sustainability but is found to be engaging in practices that harm the environment, it can seriously damage its reputation and result in a loss of trust from its customers. Think of the VW diesel scandal.

When a company goes against its values, it can also have legal and financial consequences.

For example, if a company is found to be engaging in unethical or illegal practices, it can face fines, legal action and damage to its brand reputation. In extreme cases, it can even lead to the collapse of the company.

Overall, it is essential for companies



to stay true to their values, as this can help to build trust and loyalty with employees, customers, and stakeholders. This means so much more than just creating a set of fancy value statements, that are heavily promoted by the company but don’t bear any resemblance to the way the business or its people operate.

If a company finds that its values are no longer aligned with its actions, it

**“WHEN A COMPANY GOES AGAINST ITS VALUES, IT CAN ALSO HAVE LEGAL AND FINANCIAL CONSEQUENCES”**

should take immediate steps to realign its practices with its values and regain the trust of its stakeholders.

This may involve making changes to its policies, procedures, culture and in some cases its people, to ensure that its values are reflected in every aspect of its operations.

I have seen first-hand the benefits that a clearly articulated and embedded set of business values can have, when the leadership pays more than lip service to them but is committed to live by their values.

It is a win-win situation for the business, its people, customers and suppliers. ■

**BUSINESS VALUES AT WORK**

**NO3: CUSTOMER FOCUS**

A company that values customer focus is committed to putting the needs and interests of its customers first. This means listening to customer feedback, responding to their needs and concerns and providing high-quality products and services. Companies with customer focus as a core business value will go the extra mile to ensure their customers are completely satisfied with the interaction. There is no doubt that customers of the construction industry are more knowledgeable and discerning now than ever and as a result their expectations are higher than ever. To build loyalty and generate repeat business, construction businesses need to be more customer focused. That means developing a better understanding of the customer’s needs, providing a service which adds value to the customers business and putting the effort into developing the relationship.