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Values Statements with Real Impact (Part 1)

Calling a special Board meeting to discuss values is rarely a high priority when financial crises, strategies to cope with change, or the need to adjust priorities demand attention. Nonprofits and charities may feel they cannot afford staff or volunteer time to chew over what they already know intuitively. But an explicit values statement is a powerful governance tool.

Part 1 of this two-part series provides insight into the benefits of appropriate values statements and developing the most representative list for your organization. Part 2 supplies more examples and reviews how Boards can use the final product to keep an organization on track.

“Integrity, commitment, caring, respect”

Is this a values statement with the power to guide an organization’s decision-making? Or is it an inventory of desirable traits that could serve any non-profit agency?

Many values statements are generic lists like the one above. The organizations that use them are missing a fundamental opportunity to provide strategic guidance to those who act on their behalf.

A values statement is a set of beliefs and principles that guide an organization’s decision-making. It answers the question, “How do we carry out our mission?”

There are five key reasons to invest in a good values statement:

1. It provides direction to staff on the execution of the organization’s strategic plan.
2. It serves as a guideline for everyday decision-making.
3. It gives your organization a stable and unchanging core that will make necessary changes to structure, policies, practices, and strategies less threatening and disruptive.
4. It is fundamental to developing an appropriate and compelling vision.
5. It gives you and potential new staff, volunteers or Board members insight into whether they are a good fit with the organization.

The good news is that a meaningful values statement will last for a long time. Deeply held values do not change with trends, and do not need to be rehashed at annual strategy sessions. With an appropriate statement in hand, Boards can use their time to focus on aligning organizational activities with their values.

.../2



Getting started

It's a challenge to distinguish between the values your organization lives, breathes and reflects in all its activities, and the ones you think you should have. Charities usually have less difficulty with this exercise than other nonprofits and private industry, but the challenge then becomes choosing the most representative values for the organization and not a laundry list.

The most successful processes usually involve focus groups drawn from all levels in an organization. Depending on the size of an organization, multiple focus groups may be helpful. Participants brainstorm to develop a list of core values and prioritize them to a list of five or six key values.

Brainstorming and filtering tips

- Asking what is most important to the organization in the way it treats its stakeholders (ourselves, our clients, our funders, our community, etc) will generate thoughtful results.
- A good probing question is “What was a critical incident for our group in the last six months, and how did it demonstrate our values?”¹
- Looking at examples from other organizations, and discussing about what works and doesn't work will also enhance the selection process.
- Remember to identify today's core values, and not the ones you wish you had. The values the organization would hold in an ideal future belong in the vision statement.

With a draft list in hand, author and management guru Jim Collins suggests the following questions are a good test for screening which core values truly reflect your organization²:

1. Would you want your organization to continue to stand for this value 100 years into the future, no matter what changes occur in the outside world?
2. If you were to start a new organization, would you build it around this core value regardless of the industry?
3. Would you want your organization to hold this core value, even if at some point it became a competitive disadvantage – even if in some circumstance the environment penalized your organizations for living this core value?
4. Do you believe that those who breach this value consistently simply do not belong in your organization?
5. Would you change jobs before giving up this core value?

.../3

¹ Drawn from Dorothy Strachan's wonderful book, Questions that Work: A Resource for Facilitators, ST Press (Ottawa: 2001).

² This exercise is from www.jimcollins.com. James Collins and Jerry Porras are the authors of Built to Last, Harper Business, (New York: 1994), an excellent book for groups considering mission, vision and values.



6. Would you personally hold this core value even if you were not rewarded for holding it?
7. If you won the lottery and could retire tomorrow, would you continue to apply this value to your productive activities?

Those values that attain near-unanimity among respondents are the ones that make the final cut. The wording of the draft statement is then validated with senior leadership.

Part 2 of this series will provide example of how organizations enhance their conventional values statements with longer form statements of beliefs and principles that help answer the question, “How do we carry out our mission?” It will also look at the Board’s critical role in ensuring that the values are truly lived, and are reflected in policies and practices.

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