

Concerning the International Corporate Values Index

⇒ What is the purpose of such a corporate values index?

- ***The International Corporate Values Index[®] provides information about most frequently words or terms used by companies to formalise their values.***
- The sector-by-sector segmentation allows companies to evaluate themselves in general terms, and also in relation to their area of activity. Choices and adaptations of values give indications about companies' strategic orientations with regard to their customers, their view of the market, their products, and the needs to which they feel they need to respond.
- The international dimension highlights trends, which can be useful for companies who want to fit in with the local economic culture: Choices of values have sociological significations, insofar as they reveal the nature of a company's positioning within society. There is an ever-greater awareness of corporate impact, accompanied by an extension and diversification of the values with which companies identify.
- Changes in values correspond to changes in societies. And there are surprising similarities, in certain countries, between corporate values and politics for example.

⇒ How many countries have been studied?

- ***The 2013 report on values covers more than 4,000 companies in 14 sectors of activity, in 13 countries:***
 1. Australia
 2. Austria
 3. Finland
 4. France
 5. Germany
 6. Italy
 7. Netherlands
 8. Norway
 9. Poland
 10. Spain
 11. Switzerland
 12. UK
 13. USA

This is the first time Australia and Switzerland have been included.

➤ When was the Index created?

- The International Corporate Values Index ®, 2013 is the 3rd international report, following the 2009 and the 2006's reports.

➤ What is the methodology?

- The studied companies were identified by ECCO's local agencies on the basis of institutional and Internet searches in each of the countries concerned.
- There were an average of 250-300 companies per country (apart from France for which there were 750). The values were taken from their web sites, often in the local language, then translated into English. They were coded as "pilot values" by the ECCO agencies, based on a list established in 2009.
- **4,348 companies in 13 countries** expressed a total of **22,993 values**, i.e. an average of 5.29 values per company.
- The 22,993 main values and expressions, as found on corporate web sites, are what we term "company values", which we **reduced to 4,855 by grouping them into "associated values"**. These were then compiled and codified into **95 "pilot values"**, not all of which were expressed in every company or country.

	2012	2009	2006
Pilote Values :	95	89	93
	↑	↑	↑
Associated Values :	4 855	3 726	3 050
	↑	↑	↑
Company Values :	22 993	18 551	14 005

➤ What are the studied sectors?

1. Banking / finance / insurance
2. Hotels / tourism / leisure
3. Food and drinks
4. Pharmaceuticals
5. Cosmetics and personal care
6. Information technology
7. Media / communication / publishing
8. Industry
9. Energy / chemicals
10. Retail distribution
11. BtoB services
12. BtoC services
13. Transport / construction / property
14. Luxury goods / fashion / perfume

➤ What are the main trends of this 2013 edition?

Globally, we can observe a diversification/extension of values, and a transformation in their conception. There are 5 major trends :

1. Innovation as a determinant of difference

The replacement of quality by innovation as the top value is not inconsequential. There is a sense that innovation (technical, aesthetic, etc.) is becoming more important than reliability as a factor of differentiation. After the "throwaway" age, we are entering into a new form of consumption, symbolized by novelty. In a way, we are becoming hooked on technical nuance. Recent years have been marked by a certain number of technical revolutions, notably in computing, telephony and multimedia, which have accustomed us to a certain rate of change in technology and products whose effects are in turn feeding into other sectors.

Innovation has gone from being a functional value to taking on the role of a symbolic value which, beyond the added value of functionality, is now a marker of individuation. This is what sociologists call a "value sign".

2. The extension of sustainability as a concept

This value is finding its way into ever more numerous sectors of corporate and social life. It initially denoted the idea of sustainable development, but is now being applied in many other areas of corporate life. While sustainable development still represents the most important aspect of sustainability, it is no longer the only one. Other connotations include sustainable values, sustainable technologies, sustainable management, etc.

The widening application of sustainability as a corporate value illustrates a tendency for companies to take up themes that were formerly the preserve of the authorities.

3. The extension of responsibility as a value

This phenomenon has been accompanied by a decline in the importance of social responsibility, which indicates an extension of the notion of corporate responsibility, not just to the more technical and commercial domains but also to that of civic awareness.

Corporate responsibility is not just to be seen in relation to employees, but also with regard to the wider society. Companies look at their responsibilities in terms of social evolution, their technical and managerial choices and how they help to weave the social fabric.

4. The corporate world as a generator of communities

The appearance of community as a value also indicates an awareness of companies' influence upon, and responsibility for, the social body. Group solidarity, or esprit de corps, is no longer limited to membership of a team or a firm, but can also be a basis for a spirit of community, not just that of fellow employees but also clients. Some distribution networks, media and groups working in IT talk about communities with reference to their clients or partners.

5. A return to a certain number of corporate economic fundamentals

Competitiveness, distinctiveness, growth, financial management: while showing increasing concern for their target groups and types of impact, companies also seem to be returning to a certain number of economic principles such as growth, competitiveness and differentiation, one of the consequences of which is the recognition of corporate economical but also financial responsibilities – the acknowledgement and acceptance of the fact that shareholders and their interests are important. Companies are now introducing this dimension more explicitly into their values.

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➤ What are the top 10 values in 2013, 2009 and 2006 ?

2013	%	2009	%	2006	%
Innovation	40%	Quality	40%	Quality	38%
Quality	30%	Innovation	39%	Innovation	38%
Customer Satisfaction	28%	Customer Satisfaction	26%	Customer Satisfaction	37%
Integrity	20%	Integrity	19%	Integrity	19%
Environment	17%	Environment	18%	Team Spirit	18%
Expertise	16%	Social Responsibility	17%	Environment	18%
Responsibility	14%	Success	16%	Know-How	17%
Team Spirit	12%	Know-How	16%	Success	14%
Respect	12%	Responsibility	15%	Social Responsibility	13%
Ambition	11%	Team Spirit	13%	Respect	12%

➤ Are there any emerging values?

Yes => Governance: overall, this study reveals the extended influence of corporate policy that seeks to include societal impacts in the determination of its orientations. The concept also expresses a change in terminology.

➤ “Quality” and “Innovation”: still on the top?

The 2 leading values are the same in 2013 as in 2009 and 2006, but in reverse order. Innovation, a Competitive value, has replaced quality, a professional value, at the top of the list.

➤ Any Major Changes since 2009?

Increasing

Apart from **ambition** (a competitive value, up from 22nd to 10th), **performance** (a competitive value, up from 19th to 13th) and **growth** (a competitive value, up 12 places), the most significant advances have been made by **confidence** (a relational value, up from 16th to 11th), **sustainability** (a societal value, up from 24th to 16th), **passion** (a behavioural value, up 11 places) and **efficiency** (a professional value, up 9 places).

Decreasing

Large declines are registered by value creation (a professional value, down 12 places, from 23rd to 35th), communication (a relational value, down 11 places, from 26th to 37th), internationalism (a professional value, down 10 places, from 15th to 25th), social responsibility (a societal value, down 8 places, from 6th to 14th), professionalism (a professional value, down 7 places), entrepreneurial spirit (a competitive value, down 5 places), tradition (a behavioural value, down 5 places), success (a competitive value, down 5 places) and competitiveness (a competitive value, down 3 places).

➤ What do employees think about their companies' values?

For the 2013 edition of the International Index of Corporate Values, we sought the views of employees in **France, the UK, Poland, Germany and Switzerland** about the degree of importance and consistency they attributed to their companies' values.

The results of the survey turned out to be generally positive, **with 83% of interviewees stating that they felt it was useful for a company to define its values.**

This reveals how high values provide an indispensable instrument for the achievement of management goals, and for structuring communication.

☞ What are the values categories?

Pilot values has been grouped into 8 values category:

Situation in 2013 :

- ↓ **Professional values** are still, as in 2009, the most numerous, though in slight decline: **33%**, as opposed to 35%. They are among the most commonly cited. They are among the most commonly cited, and they include quality, customer satisfaction, know-how, team spirit, excellence and service. Among the top 30 values, there are 9 professional values, as opposed to 11 in 2009, which was itself a higher number than in 2006. Professional values are higher in absolute numbers, but lower in proportion.
- ↓ **Competitive values** represent **21%** of the total (as opposed to 22% in 2009). On average, companies express 1.1 competitive values. This number remained more or less similar between 2006 and 2009, but shows a slight increase in 2013. Competitive values include ambition, anticipation, competitiveness, courage, enthusiasm ...
- ↑ **Behavioural values** represent **15%** of the total (as opposed to 13% in 2009). And this confirms the progress they had already shown in 2009. Behavioural values include adaptability, attention, attractiveness, authenticity, availability ...
- ↓ **Societal values** represent **9%** of those expressed, as opposed to 10% in 2009. In other words, they have returned to their 2006 level. As in 2009, there are 4 of these values in the top 30: environmentalism, social responsibility, sustainability and health. Societal values include environment, health, sharing social responsibility ...
- ↑ **Relational values** represent **9%** of the total, as opposed to 8% in 2009, which was itself an increase on 2006. There are 2 among the top 30: respect and confidence. Relational values include accessibility, communication, confidence, consideration
- = **Moral values** represent **6%** of the total, as in 2009, although this represented a slight decline on 2006. Moral values include ethics, integrity, loyalty ...
- ↑ **Fulfilling values** represent **4%** of the total, as opposed to 3% in 2009, which was itself a slight increase on the 2006 value. There are 2 in the top 30: humanism and personal development. Fulfilling values include aesthetics, humanism, personal development
- ↑ **Social values** represent just **3%** of the total, but this is an increase on the 2009 score of 2%, which was itself an increase on the 2006 score. Social values include equality, equity, improving quality of life, integration

More about corporate values

➤ Two things are fundamental for companies:

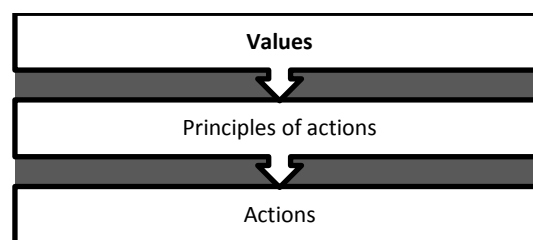
- The first thing is **the mission**, which answers to : “**why or what for**”
- The second thing are **values**, which are the answer to “**how**”

➤ The purpose of a corporate value is

- **To construct a reputation:** creating sense between how a company do communicate, and the way she acts in concretely.

➤ What is a corporate value?

- A value is first of all a term that needs to be invested with sense. And more than any other type of term, it has to be clarified in order to give it a certain directedness.
- Should innovation, the value that has come out on top in every edition of the Index of Corporate Values since 2003, be understood as having to do with technology, or marketing, or a habitual way of thinking at every level of a company – or all of the above? Formalising a value involves, first of all, defining it in the context of a company which by its very essence is unique.
- It also needs to win acceptance by groups that hold markedly different viewpoints. Understanding the meaning of the value “freedom”, for example, is not rocket science. But does freedom have the same sense irrespective of the company that expresses it? Does it have the same sense for the tourist industry as for publishing? The same for a leading international group as for its challengers? The same for a London headquarters as for its subsidiary in Dubai? And the question is just as applicable to less “political” values.



➤ What type of company considers that corporate values are useful?

Our Studies shows that almost all companies with more than 50 employees express values.

➤ How do companies go about choosing values?

Our work suggests that there are 2 major ways in which values are formalised.

Either they are defined while the creation of the company (this applies to around 1/4 of cases) or they are formalised after.

- When expressed by the founders themselves (while the creation), values often demonstrate a company based on a strong culture, like for example mutual-benefit and cooperative companies
- But the formulation of values is in most cases a recent, or a very recent, development.

The application or updating of values often results from a merger or an acquisition, or from a desire to reinforce the cohesion of a group along clearly-defined lines.

Apart from these 2 types of case, there are also companies that have "reformed" principles into values.

➤ Why several values for a company? What is a value system?

- Values exist as systems because their meanings, and their nuances, change according to the other values that may be associated with them.
And a value, in reality, is always part of a system, along with other values.
- For example ambition. This is a value whose signification changes according to whether it is defined in terms of audacity or courage, risk-taking or determination. Nor does it have the same complexion if associated with integrity rather than solidarity.
It may be true that all values are "good", but their particular hues depend on the value systems to which they belong.
- A value system illustrates the priorities a company has adopted, among all those available.
- A value system must resolve the dilemma of both remaining in phase with corporate reality, such as it is perceived to be, and at the same time representing what a company wants to become. An organisation may not necessarily live up to its aspirations at a given time, but its stated values must at least express the efforts that are being made to bring this about in the future.

➤ Has the crisis had an influence on values?

- The current global crisis has reinforced their concern with "moralising" the way they operate; and it is no surprise that this appears in the way basic values are enunciated.
- Also the Bank/Finance/Insurance sector is the sector that expresses the highest number of values. A consequence, perhaps, of the subprime crisis and the loss of confidence in the banking sector ...