

Paper –Strategic Management

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TOPIC- ORGANISATIONAL VALUES

Organisational values drive the way we influence, how we interact with each other, and how we work together to achieve results. Organisational values are not descriptions of the work we do or the strategies we employ to accomplish our mission, they are the unseen drivers of our behaviour, based on our deeply held beliefs that drive decision-making. The collective behaviours of all employees become the organisational culture – “the way we do things around here” – fulfilling the organisation’s promise to stakeholders.

This promise lies at the core of the organisation’s brand, the essence of its identity, and must be fulfilled by employees. Those employees who actively fulfil that brand promise by embracing and living out the organisational values, are the true brand ambassadors. The relative number of brand ambassadors in any organisation is an important indicator of organisational health.

As an example, Apple’s brand ambassadors are those who subscribe to the Apple values, as opposed to those who simply like the idea of being associated with Apple, or the benefits of working for Apple. The same holds for Harley-Davidson, McDonald’s and Ikea. It is unlikely that someone will excel at an organisation whose values they do not subscribe to.

Experience has taught us that poor alignment between the values of an organisation and the personal values of their employees, translates directly into poor performance. This, in turn, impacts negatively on the quality of deliverables – and the organisation’s financial performance. Conversely, when the values of the organisation are aligned with the personal values of employees, the result will be a high-performance environment with high levels of employee engagement and the pursuit of excellence for the benefit of the organisation.

Most organisations have identified values but for many, they are restricted to wall plaques and induction handbooks, far from the hearts of employees. This disconnect points to leaders who are not empowered to model the values through decision-making and behaviour.

Many organisations today focus on technical competencies when hiring people, overlooking the importance of cultural fit and the underlying behavioural competencies. While technical capability is a prerequisite for most roles, it is values alignment that will determine the candidate’s ability to contribute and make the organisation more resilient.

Tower Stone believes it is important to ensure that organisational values are clearly understood, and demonstrated by everyone in the organisation. Immense value derives from having values understood and lived by all. The challenge with values alignment is that the same value can mean different things to different people. If an organisation’s values are not made explicit through leadership behaviours, leaders may unintentionally drive disparate sub-cultures. Long-term, sustainable success is reliant on the leader’s ability to unite culture and minimise the impact of

personal preferences. Tower Stone mitigates the subjectivity of values by working with organisations to define a set of behaviours for each of the values that can be practiced by all. We are then able to introduce a measure of accountability to culture, through our 360° assessment tool.

Team members will only bring their hands, minds and hearts if they feel connected to the organisation's culture. Successful organisations are led by empowered leaders who recognise the need to have everyone engaged and inspire engagement by modelling the values. While good processes and systems are important, they do not provide sustainable competitive advantage. Now, more than ever, your competitive advantage starts with an aligned culture driving the organisation's purpose through a shared vision.

It is the leader's role to connect processes and culture, and to ensure harmony across all the different organisational levels. This can, however, only be achieved with the buy-in of employees.

There is evidence that leaders in organisations who consciously focus on their values are more resilient, more sustainable and more successful than their counterparts as reported by our partner, the Barrett's Values Centre. The leaders of these organisations recognise the importance of modelling organisational values to inspire a culture that evolves and grows to fulfil the promise made to stakeholders.

Values in Organizations

Even if an organization has not explicitly spelled out the values it uses to guide its actions, it has values. They may be unstated, but they play an important role in determining how the organization confronts problems and issues. Values may come from the common purpose for which the organization works, the organization's leadership or from other sources.

Using Values as a Guide

Value statements list the principles and ethics to which an organization adheres. They form an ethical foundation for the organization. Beyond that, value statements help answer the question employees ask when faced with a difficult or perplexing situation: What do I do now?

For example, consider the values and guidance contained in the mission statement from well-known merchandiser, L.L. Bean: Sell good merchandise at a reasonable profit, treat your customers like human beings, and they will always come back for more. The statement establishes a clear priority for how to deal with customers when they are shopping for or reporting a problem with a company product.

These principles and ethics then guide the behaviour of organization members. They assist organizations in determining what is right and wrong. Members then act in certain ways, using the values as a guide.