

Core Values Catalyst to Organizational Success

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Introduction

What are values? These are the segments of faith or dogma, which put together nit the canvass of life, where we act, behave, react, yield or discharge. Value system helps us decide between right and wrong and express our opinion on the continuum of most preferred and most despicable. Dictionary on Human Resources and Personnel Management defines core values as a set of concepts and ideals that guide someone's life and help them to make important decisions¹. Values when shared make families, clans, ethnic groups, nations, religions, cults or organizations. This concise study will focus on the values in a business organization or a business group.

The Study has two major parts. Part I deals with the values in business as an absolute entity, while Part II presents the subject to a business executive, a student or a researcher; as the core values exist in a business group, called Army Welfare Trust. Part I has been developed to concisely address the following sub-subjects and issues.

- a. Why identify and establish core values.
- b. Relationship of organizational culture, quality of work life (QWL) and values.
- c. How to make a value live at an organization.
- d. Some core values.

In Part II of the study main focus is on a specific business house. It is Army Welfare Trust (AWT), a Rs. 27 billion corporate business concern,

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with a peculiar organizational culture. The primary research has been concluded into the following sub-titles: -

- a. Fixed or uncontrollable parameters.
- b. Old core values.
- c. Laying the basis of core values.
- d. Suggested core values.

Part. I

This is the description and explanation of the subject of core values in a business. It would help in setting the aim, the purpose and the significance of core values for a business organization.

Why Identify and Establish Core Values: Value system, whether it is extrinsic or intrinsic, controls the exhibited behavior at the workplace. Values tell the workforce, whatever be the level, the dos and the don'ts. It guides them and push them what to worry for and what would win him or her pleasure of the boss and the appreciation of the peers. Therefore, look at the following simple questions.

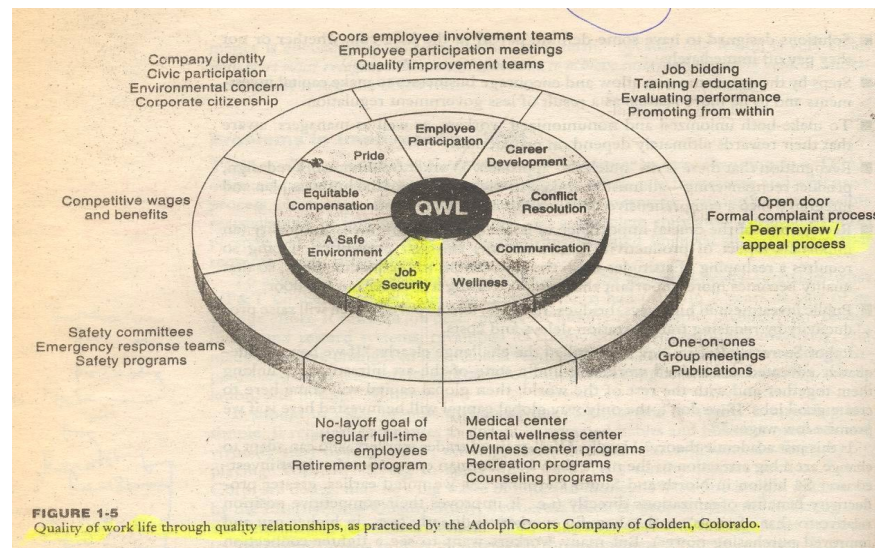
- a. Is the work place or the organisation, as it was desired?
- b. What values are governing the workforce, and therefore the workplace?
- c. What values must be unlearned, learnt and followed to bring about the change.

A moderate to an extensive exercise would be required to satisfactorily answer each one of above three queries. However, it amply highlights why each organisation must identify and establish its core values.

Relationship of Organizational Culture, QWL and Values:

Corporate, in essence means sharing; size of the company and wholesomeness are external measures and meanings. If one wants to reach to most concise solution for the improvement in QWL then it lies

in 'sharing', and sharing every thing with the whole workforce, with focus on transparency. Organizational culture, leading on to QWL can be divided into two levels. One is to equate QWL with a set of objectives, organizational conditions and practices. The second, would be equating QWL with employees perceptions that they are safe, relatively well paid and enjoy the availability of opportunities to grow as human beings. Let us look at this diagram, below. These are a few core values which help to promote and sustain a superior QWL. This is the graphical representation of QWL at Adolph Coors Company of Golden, Colorado.²



How to Make a Value Live at an Organization: Stated vision and mission statements are a common form to promulgate the values. However, there are companies where these are meant for glazy and attractive brochures and company profiles only. Organizations which believe in and practice free and open communication could possibly achieve a good level of success. May I assert 'open communication' is by itself a value and one of the core values, for some companies and nature of business. And there are organizations which refute this value, if

not that they practice against it. Such companies religiously maintain and guard many circles and cordons of information. Only a few are privy in every circle. However, to make the values live at an organization every one has to see these and feel these being acted upon. It is the every bit of the conduct which would belie the value being followed by. Suppose TQM is the core value at an organization. Searching for best raw material by all concerned in the procurement department, awarding contract to the contractor providing the best quality, following most stringent level of standards in the production process or discharge of service to the customers, developing and following strict super-visionary procedures to ensure quality, taking serious actions on the complaints by customers and rejecting and throwing away substandard products by the management, will make the value of TQM live at the organization. Some other means to make the values live at the organization are as follows: -

- a. Promotion criteria.
- b. Stories, legends and myths about key people and events.
- c. What leaders pay attention to, measure and control?
- d. Implicit and possibly unconscious criteria that leaders use to determine who fits key slots in the organization.³

Some Core Values: Some scientists (Casio) of the subject describe organizational culture as the DNA of the organization. It is invisible to the naked eye but plays critical role in shaping the work and the workplace. One prime area where the dictates of values affect is the staffing decisions. A company will prefer to hire the one who share their values and will help promote the same. Let us look at some world renowned companies and their values. Sun Microsystems and Hewlett-Packard are oriented towards R&D and engineering...Mc Donald's

concentrate on consistency and efficiency...P&G and IBM on marketing.⁴

Part II

This part can be named as the core values and AWT. As explained above the focus has been made further acute and incisive by dividing it in to three sub-areas.

Fixed or Uncontrollable Parameters: The culture at AWT is unique, may be parable to some extent to that of Fauji Foundation or by a far stretch to that of Shaheen Foundation but no other business house. It is neither a Sole Proprietorship, nor a Joint Stock Company, or a Limited Liability Company or a Private Limited Company or a Public Limited Company or a Partnership, and least a MNC. It is a business conglomerate registered as a trust, fully owned by Pakistan Army. A retired general shall always head it and a few brigadiers will always form part of its board of directors. It will receive some human resource out of the retired inventory of Pakistan Army and hire and recruit the rest including professionals from the market. This background forms the uncontrollable or fixed parameters, which cannot be ignored while working out the Core Value. A few basic words about the business, so that core values of military culture can be put to debate and test. Business is about producing a product or offering a service or both for the sake of customer. Therefore, concept of customer is pivotal. An entrepreneur would be the one, doing every thing (business) for the customer with his or her ideas, money and managerial expertise. Therefore, CEO or MD of AWT would be doing every thing for the sake of customer through his ideas, AWT's capital, corporate culture and managerial expertise, while working with a mix team of nominated ex-service men and selected civilians.

Old Core Values: Learning, assimilating and consequently exhibiting behavior under a set of core values is a slow process. Soldiers have learnt over the decades, some sterling values. Some of these are; to be law-abiding (military law only) obedience within chain of command, punctuality; hard and prolonged work and producing results for the sake of one who ordered or the next superior. Men in *khaki* all along those years worked in a non-commercial environment thus gradually losing sight of money value of time, resources, any result or achievement and total oblivion to a factor called customer. Due to frequent changes in roles, duties, appointments and rank they lost sight of a competitor. A competitor who was gunning for his customer. And in any case there was no customer to begin with, there was only a senior to approve, appreciate or reject. Three brief examples. One, a junior would go through the lift down to basement to fetch a ball point from the boss's car and come up as quickly as possible. Neither the boss nor obedient junior would ever realize that cost of ballpoint was rupees ten and that of one round trip on lift was rupees forty!⁵ Second, an officer would come at exact time and leave at exact time, considering there is none better than him without realizing what was spent on him during those eight hours and what did he earn for AWT on that specific day. Three, BOD may take hours to debate on the quality of a product, with all the sincerity; without ever getting the hard data how the customer; the one who pays for it, has evaluated that product or what are his or her expectations or what is the increase or decrease in number of customers due to quality! That is why we kept selling Askari Water at a loss of Rs. 2.50 to 2.90 per bottle for three years! Yet another value which gets instilled in a soldier through prolonged soldiering is loyalty towards his mother institution i.e. Pakistan Army. To a soldier, soldiering is the profession and it also

means in Pakistan Army alone. He never thought he was on sale as a soldier. He could not be bought. Therefore, to part with the Army, only meant saying good-bye to soldiering. In business, professions are engineers, system analyst, chartered accountants, production manager or a machinist. Leaving one company for promotion, better package or better prospects causes no hiccup to a civilian employee. For a soldier it could be next to betrayal.

To make way for new values one has to unlearn old ones. And it is a difficult process. By the same premise to learn AWT's core values will be far easier for a younger and a new entrant as compared to an ex-soldier. For those coming from other companies and business enterprises the change will be far easy to adjust. As a leading business house, teaching new ones and showing how these core values shall benefit, both AWT and the individual will be the responsibility of AWT. The positive conclusion is to work harder on ex soldiers to teach and inculcate the new values, which are essentially the business values of a corporate business house.

Laying the Basis of Core Values: These are the introductory and explanatory notes for each of the proposed core value. Core of the business revolves around customer. Therefore, customer is prime and foremost. Business in simple terms means meeting the customer's desires and needs. Next comes the most precious asset of any enterprise to meet the organizational goals. It is the human resource, which will yield the results. Last, in the list suggested by me, are GMPs (good management practices). These are the strategies, methods, techniques and tools, which will help, bring about managing and attaining what AWT sets as its objectives. Now a few dedicated lines for each of aforesaid factors and culminating into the proposed values.

- **Customer:** Customer is the one who pays. Neither the investor nor any other donor body who appears to be giving capital or resources; pay. They all lend for the customer, to pay, finally. AWT should be all the time thinking about the current customers, his/her likes, changing moods and developing a product or service for the day yet to dawn. At the same time, thinking and planning for the future customer. This 'value' will keep the business focused, where it should be focused. Customer must remain in the focus for he/she is the patron, the chief and the boss. It is he/she who pays for my salary, perks and keeps me alive amongst my competitors. My competitors are already gunning for this precious commodity called customer. A product, brand or service can only remain afloat and progressing when it is ready to change for the changing needs of customer, may it be a strip of Askparol, bag of Askari Cement or service across the customer counter of Services Travel. Put your customer at the center of your business⁶; says Microsoft Customer relationship Management. May I conclude to say: "Customer comes first and always" Or "Customer is the boss"
This should be the value number 1.

- **AWT Employees:** Human resource is the most precious asset of any enterprise. In the words of Dr. Rick Johnson "no doubt people are an organization's most precious asset."⁷ Once Mr. Matayashita⁸, the owner of 'National' and now 'Panasonic' Japan; was asked by an interviewer as to what all do you make. His answer was ...before I tell you that, I will say we make people...or words to that effect. Focusing on AWT, we have to change a great deal in this sphere. I can not dwell on this specific

aspect here; however, we have to assess ourselves in human relations, leadership skills, commitment to treating employees as most valuable asset, training, credibility of our management team and vision, communication skills, decision-making skills, benefits and employee related support system.⁹ After assessing our position we need to move forward and develop our HR strategy. When HR strategy is successful, coming to work should become fun and at the end of the day a matter of pride to have contributed to AWT's goals through a measurable yardstick, for every one. Investment in AWT employee through training and development, individual based incentive and company wide incentives will accomplish the goal to converge both individual's objective and AWT's objective. This will make AWT the most sought after employer; by the most ambitious and top performers. I will conclude to say: "Place for Best Performers" Or "Most valuable Asset: AWT Employee"

This should be our value number 2.

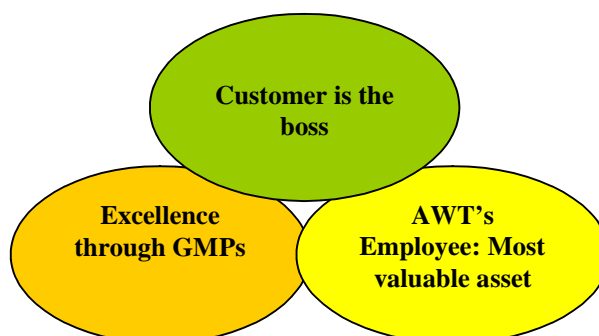
- **GMPs:** We can start with communications, the blood in the veins of any company. How many of four thousand eight hundred plus know what is the top most goal (socio-economic vision) of AWT? THK Study indicated this problem. MBO (management by objectives) is a thirty years old concept. This concept integrates the company's goals with that of every individual through vertical communication. At AWT even the individual tasks are not in black and white and consequently there is no objective performance appraisal. Organizational creativity, lateral thinking, six thinking hats, P M I and many a techniques to improve organizational DM and PS (decision-

making and problem solving) are illusive in our culture. We need to be alive to ever changing managerial environment. Running through the scarlet thread; doing every thing for the customer using the highly paid and well trained HR; and harnessed and sharpened with GMPs. To conclude at the end of this section, I will say: **“Putting the best MPs in vogue” Or “In search of Excellence” Or “Frontiers of Management” Or GMPs our cutting edge”**

This should be our value number 3.

Conclusion:

All business owners and all commercial concerns have deep desire to earn profit, but many fail to do it. Out them many fail to discern the place and role of core values. This study should help highlight the significance of identifying core values, developing the right ones and learning these and following these. Unless a value is translated in to conduct it is not going to yield any result. This Study may be considered as the initial effort to shape and crystallize the core values for a business concern with a vivid example; AWT. These values are really the most intertwined circles of excellence.



End Notes:

¹ Ivanovic A. and Collins P.H., *Dictionary of Human Resources and Personnel Management*, 3rd edition, p-64.

² Casio W. F., *Managing Human Resources*, 4th Intl Edition, p-24.

³ Casio W. F., *Managing Human Resources*, 6th Edition, p-240.

⁴ Op, cit,

⁵ About four years ago I worked out the cost of one round trip of one lift at AWT. This amount included capital cost, operational cost, maintenance cost and life-cycle cost. It was an approximation.

⁶http://www.qiem.com/resources/mscrm/MS_CRM_solution_brochure.pdf#search='business%20management.pdf%20customer'

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<http://www.hotelnewsresource.com/modules.php?op=modload&name=HNR&file=detail&sid=23228>

⁸ Spellings may not be correct.

⁹ Ibid 3

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