

The values' place in the corporate strategy

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Abstract. The objective of this communication is the identification of a possible relation that might exist between values and a leader's power of decision. The consequent problem of such a relationship is concretely expressed in the organizational structure in terms of interactions between the manager behaviour, strategic objectives and the appropriate values to the enterprise. According to a considerable number of disciplinary fields, the values rank among the fundamental and theoretical concepts which govern the individuals' thoughts and behaviors. Through a socio cultural analysis, specifically based on the values, we could suggest a new reading management practices and organization. Our aim is then to identify those values and their place in the strategic reflection. We will attempt to identify the relationship between not only the logic of management subsuming the rationalization approach, aimed to optimize the economic performance, but also the values emotional logic which aims, in its turn, at good governance and managerial ethics .

Keywords: values, strategy, social cognition

1. Introduction

Values stand as the corporate culture base to which many firms are daily trying to stick to; the company makes a commitment to elect a certain number of experimental values which would represent its genetic code and mark its identity. In this way, values wouldn't act as a simple effect of mode but as a way to contribute effectively to the strategy making. So they have to support the fulfillment of the mission to aim towards the vision.

Consequently, the leader would be faced to dilemma in the sense that he has to choose between focusing either on the profit or on the values. By holding the second hypothesis, we are going to be interested the manager leadership in terms of values meant to adopt an appropriative approach meant to establish a cohesion around the values of his company.

The study of the various models of company's strategy shows not only the importance of the elements that we consider along the strategy making but also the values which correspond to the ethical statements, which represent an another element than it is necessary to consider.

2. The concept of values

Although the value's concept is found in a variety of disciplines, the temptations for defining this notion remain stained with ambiguity due to the lack of a consensus concerning the exact terminology of the term. The value's phenomenon fascinates and disturbs at the same time and is strictly connected to the world of prestigious.

The interest in the values has witnessed an important growth especially since the fifties when many firms started to feel the need of a cultural reference especially after the numerous financial scandals which have invaded companies during the twentieth century. So every company has its own value's architecture for which it tries to apply on a daily basis.

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According to Hofstede 1994 a value is an entity that is connected to the culture «the values are the heart of a culture .We can define a value as the tendency to prefer certain state of affairs to another .It is a feeling directed by a positive side and a negative one. The values define the good and the evil, the own and the nasty, the beautiful and the ugly, the nature and the unnatural, the normal and the abnormal, the coherent and the insane, the rational and the irrational. " Senge stipulates that " in the intelligent organizations new creeds are found; the vision, the values and mental models. The healthiest organizations in the future will be the ones which will find out the means that would allow people to develop the mental models which would better correspond to the current situation»

Values are the base of every company which wants to guarantee its perpetuity and to differ with regard to the other firms. Those values are shared between employees and the leader responsible of the establishment of the strategic reflection basis.

Mainly stemming from the anthropology, the definition of the term of value is not an obvious matter (this concept is the subject of a contemporary great difficulty), it represented the promise of a new management paradigm.

The values are qualities and ideas which we consider important and because they are a spring of motivation for the individual behavior.

3. Corporate strategy making

The strategy first adopted in the military domain began its redeployment in firms since the sixties in the form of researches series in Harvard. Its formulation depends on certain organizational elements such as the environment and the competition "Porter".

The concept of strategy has been amply studied by Mintzberg who stipulates that any strategy is influenced by the internal and external environment of the firm. According to Lorino and Torondo 2006 "strategy" rhymes with action and decision. For Torondo 1993 the strategy defines a set of decisions that it is necessary to deal with to an environment characterized by uncertainty. According to Rhenmann, " the strategy is a process fundamentally collective and cooperative, it is a reflection on the corporate culture of the organization " .

The strategy has occupied, for a very long time, an important place in the management and attracted several academicians. Therefore various management thought schools do not agree on the definition of the term "strategy". Rhenman the follower of the cultural school suggested the following definition " the strategy is a process fundamentally collective and cooperative, it is a thought on the corporate culture " we hold that it is a group working of manager which have in their mind the culture of the company which it is necessary to consider before any decision.

4. The links between values and corporate strategy : a social cognitive approach

Based on human thinking, cognitive science is the discipline which analyzes the way of reasoning of decision-makers, in particular managers. By positioning ourselves in this field of research, we get loose from the neo-classical thinking trough which an individual is totally rational since he takes his choice according to the most optimal way of "Homo economicus " .

We are here in a logical break with the classical thinking, which is substituted by a vision stipulating that the rationality of human beings is stained with uncertainty.

Gilbert (1995) believes that "Organizations cannot be understood without reference to the cognitive structures of their actors, particularly those of leaders " . This approach is simply a questioning of the classical decision models resulting from a whole rational process, which tends to maximize utility (Munier). The cognitive model is thus defined as a way of questioning rationality by promoting the emergence of Simon's model which evokes the bounded rationality of the decision-maker.

By adopting a cognitive vision, many management researchers have broken with the classical vision of decision-making. If we go back in time, we would notice that Simon is the founding father of the bounded rationality. According to him, the most complex decisions arise from a mental process and not from a simple calculation of optimization (Hambrick and Mason).

Besides, according to Calori and Sarnin, bounded rationality does not mean irrationality. Indeed, during the decision-making, leaders base consider reasoning, which is a cognitive capacity varying from an individual to the other one, as a basis. In the same way as Simon, Mintezberg was interested in cognitive science and its relationship with corporate strategies. Indeed, he stipulates that the cognitive approach is strongly used in the strategy of the firm. This cognitive approach, as it is mentioned by Laroche and Nioche, is the key factor of success in strategic decisions. Therefore, to have a strategic decision, it is necessary to analyze the mental of the decision-maker.

Mintezberg in association with other management researchers, considered the strategic decision-making as a cognitive process because the decision-maker faces internal and external environmental requirements.

5. Conclusion

Values are a way of conciliation between visions, missions and firm strategies. Besides, corporate values have for vocation to strengthen the strategy and to face the competition. This is to say that they have to contribute to the success of the mission of the firm.

The interest for values in the financial sector became more and more important after the recent financial crisis. Since then, values have occupied a strategic place in companies.

This communication has helped make strong presumptions of the existence of an increasing mismatch between values and the new requirements of modern management which is confronted with governance problems, professional ethics issues, and especially the difficulties of equitable distribution of the values to all the stakeholders.

At this stage, we have determined that values inspire management principles. So, how could these values be transmitted within companies?

6. References

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