

# The role of values-based management in increasing job satisfaction

# Le rôle du management par les valeurs dans l'augmentation de la satisfaction au travail

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### Abstract

This paper highlights the importance of management by values in organizational contexts determining how managing professional values could increase job satisfaction through the instrumentalization of positive leadership commitment. If such variable is properly used, companies could build sustainable conditions of job satisfaction in which satisfied employees could give to the best of their potential.

This research has shown that, not only, the use of ethical leadership engagement could improve satisfaction levels; it could also maintain a continuous process of sustainable job satisfaction.

In this perspective, our contribution intends to explore the concept of a values-based job satisfaction that will depend closely on the associations between the variables of values-based management and work ethical environment. This scientific paper aims to serve as a launching pad towards a better understanding of business ethics, offering future researchers with open ethical doors for deepest theoretical and empirical studies. To do this, we conducted a literature review fed and powered by analytical efforts on theories and practical cases already present in the literature.

## Keywords

Management by values (MBV), professional values, job satisfaction, leadership commitment, coaching by values, values socialization, professional dignity, ethical environment, ethical standards, values management system.

### Résumé

Cet article met en évidence l'importance du management par les valeurs dans des contextes organisationnels, déterminant comment la gestion des valeurs professionnelles pourrait augmenter la satisfaction au travail à travers l'instrumentalisation de l'engagement positif du leadership. Si cette variable est correctement utilisée, les entreprises pourraient créer les conditions durables de la satisfaction au travail au sein desquelles les employés satisfaits pourraient donner le meilleur de leur potentiel.

Cette recherche a montré que, non seulement, l'utilisation de l'engagement éthique du leadership pourrait améliorer les niveaux de satisfaction, mais qu'elle pourrait également maintenir un processus continu d'une satisfaction au travail durable.

Dans cette perspective, notre contribution vise à explorer le concept d'une satisfaction au travail basée sur les valeurs qui devrait dépendre pertinemment des interactions entre les variables du management par les valeurs et l'environnement éthique du travail. Cet article scientifique entend servir de rampe de lancement vers une meilleure compréhension de l'éthique des affaires, offrant aux futurs chercheurs des portes éthiques ouvertes pour des études théoriques et empiriques plus approfondies. Pour ce faire, nous avons mené une revue de littérature alimentée renforcée par des efforts analytiques portant sur les théories et les cas pratiques déjà présents dans la littérature.

#### Mots clés :

Management par les valeurs (MPV), valeurs professionnelles, satisfaction au travail, engagement du leadership, coaching par les valeurs, socialisation des valeurs, dignité professionnelle, environnement éthique, normes éthiques, système de management des valeurs.

#### Introduction

Since they are light on the ears but heavy on the scales, it will not be be fair not to approach the multiple aspects of values, highlighting the value of values for for-profit corporations as well as their implications. However, to give this topic the value it deserves, in this paper, we will essentially focus on the job satisfaction dimension to figure out how it could be practically doable for companies to manage by professional values to increase employees' satisfaction<sup>1</sup>.

Over the past decades, studies on values-based management within the human resources discipline have emerged, shedding light on the importance of this intangible capital which, hypothetically, is capable of making tangible results. Historically, the traditional approach of management by instructions (MBI) at the beginning of the twentieth century constituted a basis to management by objectives (MBO) from the 1960s up to the present time, now, a new approach is beginning to take shape that may be termed management by values (MBV)<sup>2</sup> (Dolan et al 2002). Moreover, Pruzan (1998) previously indicated that there is an on-going shift from an efficiency-and-control perspective to a values-based perspective on management. In this direction, Bell-Laroche & Corbett (2015) describe MBV as the third phase of this evolution of management philosophies.

As the prevailing environment surrounding organizational decision-making and management has gone from being "certain" to "uncertain" and now to "complex", the earlier MBI and MBO approaches have been less than adequate (Bell-Laroche & Corbett, 2015). Likewise, Dolan et al (2002) already confirmed that both MBI and MBO today give notoriously inadequate results. MBV, on the other hand, is emerging as a strategic leadership tool of tremendous potential for practical development. In this perspective, Krzakiewicz (2012) defines MBV as a process of identification, formation and consolidation of values, which, on the one hand should contribute to strategic development and on the other ensures consistency of human resources necessary for the development of the selected strategy. Additionally, Bell-Laroche & Corbett (2015) claim that MBV is concerned with developing management systems that are capable of integrating

<sup>&</sup>lt;sup>1</sup> Other variables could basically be impacted by values-based management such as: Performance at work, customer satisfaction, brand image, social environment.

<sup>&</sup>lt;sup>2</sup> MBV is a values-based management that should be distinguished from values management. In fact, corporations manage employees by values to get some results. Therefore, MBV encompasses values management. This latter is more a partial management "of" values per se than an inclusive management "by" values.

values into organizational strategies, policies and procedures. Based on the foregoing definitions, we can presume that MBV is typically related to corporate strategies.

However, values in no way means that objectives should be forgotten, and both are mutually necessary, hence, MBV does not replace MBO but rather complements it and facilitates putting it into practice, by making it more meaningful (Dolan & Garcia 2002). As practical testimony to this context, one of the core-values of Lear Corporation is "get results the right way"<sup>3</sup>; getting results the right way could simply mean achieving objectives ethically. By contrast, "getting results the best way" is in line with Taylor's scientific and dogmatic thinking of "the one best way", which is different from a values-based design proclaiming a union between MBV and MBO. Further, to make this union sustainable, based on the best and right way, decision-makers must be ethically aware of the value and implications of having a healthy work environment that permits the conditions of employees' satisfaction. By this we mean not just publicly stating what our values are, but translating these values into plans, decisions, actions, outcomes and experiences (Bell-Laroche & Corbett, 2015).

Not surprisingly, employees who feel that their needs, abilities, and values fit well with their organization tend to be more satisfied and motivated than their misaligned peers, and they perform better (Kouchaki & Smith 2020). In this framework, employees' beliefs consistent with the values represented by company management determine their motivation to work effectively, be attached to the organization, aspire for self-improvement and be creative in the improvement of organizational processes (Krzakiewicz 2012). That is why, Blanchard (2017)<sup>4</sup> argues that if employees share the common values of a company, they can achieve extraordinary results that give their organization a competitive edge. This latter went further by asserting that even owners could be satisfied by enjoying profits made in an ethically fair manner (Blanckard & O'Connor 1997). In this line, Dolan (2016) argues that harmonizing the beliefs and values of the owners, employees, and other stakeholders of a company is a vital source of competitive and cooperative advantage. As a result, leading and evaluating success based on values is the best way to build a high-performance culture in an organisation (Vilma 2018), which should go hand in hand with job satisfaction and organizational commitment.

<sup>&</sup>lt;sup>3</sup> One of the three key-values raised by Lear Corporation in its Human Rights Policy: be inclusive, be inventive, and get results the right way.

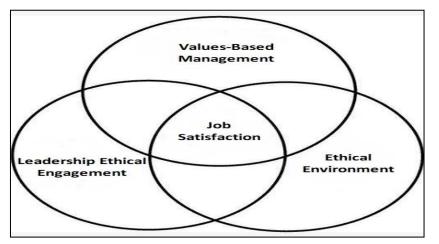
<sup>&</sup>lt;sup>4</sup> Blanchard (2017) published an article, under the title of "Managing By Values". See the link: https://howwelead.org/2017/03/15/managing-by-values/

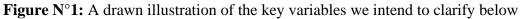
Thus, if such dimension is properly used, decision-makers could improve many variables including job satisfaction. We propose that job satisfaction, as a central variant in workplace settings, could successfully be impacted through a values-based management (VBM), channelled to improve employees' potentials and talents so as to push the whole company into a continuous process of success.

Our objective is to develop an analytical view of values-based job satisfaction that uses ethical leadership engagement as the foundation stone and work ethical environment as the roof covering. Moreover, in this paper, we will bravely go beyond the traditional concept of job satisfaction by semantically developing an analytical approach of sustainable job satisfaction and exploring the driver of a long-lasting ethical environment generated by VBM's implementation.

As mentioned above, we will specifically shed light on the associations between the following variables: job satisfaction, work ethical environment and leadership ethical engagement. By focusing hard and deeply on explaining job satisfaction, as a response variable and one part of social performance, we will probably be able to give this scientific paper the time and effort it deserves to get relevant results.

Therefore, we will try to highlight, in the following pages, the role of MBV in increasing job satisfaction through a positive leadership commitment, making a clear profiling of leadership before determining the scope and nature of its intervention. Then, the implementation process of a values-based leadership commitment that are in relevant associations with increasing and sustaining job satisfaction, through some practical HR-based tools such as: values socialization, coaching by values, and ethical standards.





## 1. The role of MBV in increasing job satisfaction through a positive leadership commitment

Research has shown the application of transformational leadership<sup>5</sup> to organizations yields positive results (Kouni et al 2018). These results refer to either the organization itself or its members (Given 2008; Tucker & Russell 2004). The implication's nature, which leaders would have, should basically be positive if job satisfaction is the target<sup>6</sup>. By positive/ethical we mean using leadership ethical power in order to ensure a sustainable ethical environment that permits long-lasting conditions of job satisfaction.

In this line, the Society for Human Resource Management Report (SHRM 2015) suggests that companies should create an organizational culture where the core-values are emphasized and demonstrated by leaders, providing employees with opportunities for career advancement, and demonstrating a commitment to professional development.

According to Selznick (1957), organizations can be mature only when leaders infuse them with values. The role of leadership is to add value to other people and the true measure of leadership is influence, thus a great leader must have the ability to change the attitude or behaviour of others (Reese 2017). In this perspective, the extent to which leaders are willing and able to obtain buy-in for such values is reflective of their leadership effectiveness (Dolan & Altman 2012).

Consequently, companies that are highly engaged have one thing in common: they have highly engaged leadership at all levels of the organization (<u>Moore</u> 2016). Likewise, this latter asserts that to get great employee engagement corporations must first start with engaging the top leadership, otherwise, a strategic error is most likely to occur. In this perspective, we argue that leadership commitment is generally a behavioural demonstration of transformational leadership.

However, it is theoretically known that the agency philosophy is a contractual vision that connects two contractors: the principal (owner) who delegates work to the agent (leader) (Eisenhardt 1989). Agency theory attempts to describe this relationship using the metaphor of a contract (Jensen & Meckling 1976). According to Eisenhadt (1989), the domain of agency theory is relationships that mirror the basic agency structure of a principal and an agent, who

<sup>&</sup>lt;sup>5</sup> According to the authors, transformational leadership can be characterized as ethical leadership.

<sup>&</sup>lt;sup>6</sup> In this paper, we will not evoke leadership's negative/unethical involvement and its possible relation to decreasing job satisfaction.

are engaged in cooperative behaviour but have differing goals, and differing attitudes toward risk.

Thus, due to his top management position, the agent has the power of information compared to the principal; the thing that may produce agency problem. According to Eisenhadt (1989) there are two aspects of the agency problem: Moral hazard which refers to the lack of effort on the part of the agent (e.g., to not put forth the agreed-upon effort), and, adverse selection which refers to the misrepresentation of ability by the agent (e.g., claim to have certain skills in the hiring process and find difficulty to verify them).

Consequently, the post-contractual situation may push the owner to invest in preventive measures so as to get relevant information over leader's activities, which would ultimately generate monitoring and bonding costs (e.g., software, lawyers, consultants...Etc.). In this context, the aforementioned author proposes that when the principal has information to verify agent behaviour, the agent is more likely to behave in the interests of the principal.

Given the bounded rationality, the non-symmetricity of information, the possibility of adverse selection and moral hazard, that could possibly give birth to agency dilemma: why not ethically replace asymmetric information with transparency and communication, and, similarly, opportunism with integrity and trust? These are some professional values that could relatively mitigate the agency relationship weaknesses.

Furthermore, according to Dobson (1993), when the agency problem stems from unenforceable behaviour (i.e., moral hazard) reputation tends to ameliorate the problem by inducing the agent to act in a consistent and compliant manner. Adding that, in these environments, reputation works as an implicit contractual enforcement mechanism and thus assuages the misallocative costs of agency. That is to indicate that the influential role of reputation, as a professional value, which could serve in decreasing agency costs, should open the door for a new chapter in business ethics, highlighting the value of professional values for corporations.

#### **1.1.** The ethical/gender profiling of leadership

We should not one-dimensionally focus on values-based leadership commitment separately from leaders' values per se. This direction will most likely prompt us to design, on the one hand, an axiological HR profiling of leadership in order to identify the ethical job description required for future leadership positions; hence the necessity to discuss the ethical dress for leaders to wear that will be more recognizable for employees' collective perception. And, on

the other hand, ethical leadership profiling must simultaneously be evoked with a precise clarification of the leadership gender.

Francke (2019) talks about the glass pyramid theory where the shape of women continues to look like a pyramid: many more at the bottom, in junior roles, and fewer at the top in senior roles. That is why, the World Economic Forum's 2018 report notes that the number of women in leadership positions in large companies in 44 countries over the past 2 years has remained a paltry 5 percent. In this context, studies of the Norwegian quota law show that the improved gender on company boards has not spread to top management<sup>7</sup>. Despite ongoing efforts, a troubling pattern remains: the higher up the hierarchy you look, the more men you will see<sup>8</sup>.

In this line, the male dominance at the top levels of business and other organisations gives men greater access to power and privilege. It also gives them more influence over how workplaces and the entire labour market are organized<sup>9</sup>. Thus, we must recognize, by projection, that leadership commitment is, therefore, a male commitment; which essentially means it is male presence/dominance that emerges to the business surface (i.e., men's ethics, decisions, goals, visions, emotions, actions, and environmental influences).

Hence the necessity to approach leadership commitment with a serious precision regarding the ethical profiling relating to gender – whose leaders are imbued with. It is scientifically interesting to understand that the business world is led by men. It allows us to correctly imagine the real shape of leadership engagement to implement – and the male ethical dress to wear. Thus, the response variable, which is job satisfaction, is fundamentally influenced by male ethical leadership rather than female ones.

Nevertheless, we must scientifically be cautious regarding job satisfaction issues when it comes to dealing with gender differences, because, the surprising findings of a cross-national investigation of 566 829 adolescents across 73 countries (KCampbell et al 2021) have demonstrated that wealthier and gender-equal countries are, the more mental health gender gaps are generated for girls and women. In addition, as to life satisfaction and psychological distress, this was driven by negative associations in females but positive associations in males<sup>10</sup>.

<sup>&</sup>lt;sup>7</sup> Op. Cit. In 2017 there were 20 per cent women in top management positions in Norway's 200 largest companies and 28 per cent women in corporate boards. Eighty-six of these companies were covered by the board quota legislation.

<sup>&</sup>lt;sup>8</sup> According to the Nordic Information on Gender (NIKK) (2017). Gender Equality Policy.

<sup>9</sup> Op. Cit.

<sup>&</sup>lt;sup>10</sup> Ibid.

For example, it is worth noting, once again, that countries that have pushed the approaches of equality of opportunity most assiduously (that would be the Scandinavian states) have the lowest rates of STEM<sup>11</sup> enrolment among females in the world (Peterson 2019). According to the author, men are more interested in things, and women with people. Given free choice, it is worth concluding that female's job satisfaction level would not necessarily depend on gender equality, or gender quota policies, it rather depends on multivariate factors (e.g. personal occupational choices, personal objectives...), since women would well be choosing time over money (Peterson 2019)<sup>12</sup>.

#### **1.2.** The nature of ethical leadership commitment

It seems the importance of leadership commitment is visibly highlighted within the quality management field. We found that ISO 9001:2015 standard has titled one of its chapters as "Leadership", in which it requires that "Top management shall demonstrate leadership and commitment". Likewise, ISO 9000 (2015)<sup>13</sup>, defines engagement as the "involvement in, and contribution to, activities to achieve shared objectives", and inherently specifies involvement as "taking part in an activity, event or situation". In this semiotics, ISO 10018 (2012)<sup>14</sup> has previously stated that "Leaders should become engaged with their people by understanding the expectations of their people. And also in other lines, leaders should encourage people to assume responsibilities and create conditions that enable people to achieve desired results, ensuring relevant statutory and regulatory requirements are met.

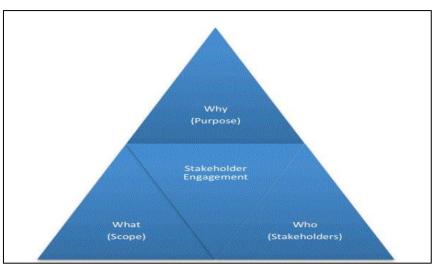
According to the AA1000 Stakeholder Engagement Standard (2011), "stakeholder engagement must be embedded in the culture and core functions of the organisation". It suggests also that "successful engagement depends on understanding why to engage (the purpose), what to engage on (the scope), and who needs to be involved in the engagement (ownership, mandate, stakeholders). That is why, the purpose for leadership engagement shall be defined, and connected to the overall strategy.

<sup>&</sup>lt;sup>11</sup>STEM is the abbreviation of science, technology, engineering, and mathematics

<sup>&</sup>lt;sup>12</sup> Additionally, female personal free choices must also justify the gender pay gap problem worldwide.

<sup>&</sup>lt;sup>13</sup> ISO 9000: 2015 Quality management systems — Fundamentals and vocabulary

<sup>&</sup>lt;sup>14</sup> ISO 10018: 2012 Quality management — Guidelines on people involvement and competence



#### **Figure N°2:** Purpose, scope and stakeholders

Source: AA1000 Stakeholder Engagement Standard (2011)

Basically, the first perception of leadership engagement may sound like a contractual and legal commitment. However, involvement's culture should consider this latter, before anything else, as a worthy professional value, carried out in parallel with relevant communication alongside employees. As it happens, the best polymorphous features of leadership implication are the power, vision, and mission as well as values they can commit to lead with so as to influence organizational satisfaction.

As job satisfaction is one of the most desirable situations, thanks to its basic positive outputs to corporations, the central mission of leaders' job would primarily be to meet the needs and expectations of employees, which means to understand their collective imagination. To do so, leaders must start by conducting a values inventory<sup>15</sup> so as to precise the core-professional values which match with those of the firms' vision and mission, before beginning with the values inculcation and enculturation process.

As previously cited the term "axiology" originates from Greek "axios" which means "valuable, estimable or worthy of being honoured" (Dolan 2016). Accordingly, the task of leaders is to choose the most adaptable and appropriate professional values for a corporation,

<sup>&</sup>lt;sup>15</sup> Super's work values inventory (SWVI), as a research tool, came from the Career Pattern Study (1940). The SWVI-R is a revision of the original 1970 edition (Super 1970) which attempts to measure the importance of 12 work values as most important ones in career choice and development.

and simply give them high organizational importance. It means giving value to the chosen work values; in other words, giving ethical power to the corporate' professional values.

In this semiotics, it is central for leaders to select a set of practical values that originate, at the external level, from the country's cultural, religious, historical, and linguistic components, and, at the internal level, from organizational values. The selection of the forgoing values would allow the corporation to clarify its own professional values in fit with its vision and mission.

According to Dolan (2012), almost any organization, whether private or public, is forced to ask some basic identity questions in increasing frequency: What is the business we are in? Who are our customers? Which and where are our markets? These questions include: Who am I? What do I stand for? How does what I do fit into this picture of myself? Cabrera (2012) names them the "workplace essentials of meaning". These identity interrogations should also give a spiritual sense to the professional life of employees and therefore affect their job satisfaction levels.

Based on the foregoing, we analytically argue that leaders are capable of determining an ethical identity converted into a set of practical work values in harmony with corporations' specificities. Whether these professional values are: e.g., commitment, trust, equity, loyalty, work, patience, respect, recognition..., it is often up to leaders to specify and/or innovate the convenient values in line with those of the firms' owners.

Once these satisfactory professional values are selected, it is time to adopt a transmission strategy in order to communicate and explain the chosen values to internal stakeholders. Leadership transmission capability must meet employees' absorptive capabilities<sup>16</sup>. As soon as employees are fully convinced and imbued with professional values, sustainable job satisfaction should come into its own.

Furthermore, since values are ultimately a set of tacit knowledge, we can bravely go beyond the current ethical approach by arguing that the Research and Development (R&D) process could be conducted in order to, intellectually and professionally develop, innovate, and produce new work cognitive and ethical values that go along with the updated corporate internal and external challenges.

<sup>&</sup>lt;sup>16</sup> This concept will be more explained in the next pages.

In this process, the most important dimension that should be constantly taken into account is the professional dignity<sup>17</sup> consideration of employees. Because in its absence, the collective perception of satisfaction would disappear. Based on the forgoing, we suggest that the more employees' professional dignity is valuable, the more they are satisfied and motivated at work.

The concept of professional dignity originates from clinical and nursing field (Parandeh et al 2016). According to Ricot (2019), the 1955 code of medical deontology calls for a professional dignity, but does not evoke the patient's dignity. On the other hand, that of 1995, which mentions professional dignity only once (art. 24), refers to the dignity of the patient on three occasions (arts. 2, 10 and 38).

However, in the current French code of medical deontology (2021 Art. R.4127-26), it is mentioned "a doctor may exercise an activity only if it is compatible with professional independence and dignity". Likewise, In Morocco, the 1964 code of pharmacists' deontology (art. 2) generally declares "pharmacists must not perform an activity incompatible with professional dignity". In this line, the 1999 code of doctors-dentists' deontology (art 3) clearly states "it is forbidden for the dentist to exercise an activity incompatible with his professional dignity".

That is to propose that the consideration of employees' professional dignity is a central tenet for sustainable job satisfaction. It goes through the application of ethical leadership whose professional values are in positive conjunction with employees' dignity – which is part of their ethical expectations and needs.

In the workplace setting, respecting professional dignity is basically a professional duty for ethical leadership, and one of the sensitive requirements leaders must commit to upholding in the day-to-day business process. As a result, long-lasting job satisfaction would be dependent on neutralizing professional dignity; because dignified employees are normally satisfied ones.

# **1.3.** Job satisfaction: the implementation process of a values-based leadership commitment

Job satisfaction represents one of the most complex areas facing today's managers when it comes to managing their employees (Brikend 2011). This latter argues that job satisfaction is a

<sup>&</sup>lt;sup>17</sup> Professional dignity or dignity in care is a clinical and nursing concept (<u>Parandeh</u> et al 2016)

complex and multifaceted concept that can mean different things to different people, and accordingly puts management as one of the factors that influence job satisfaction.

Hoppock (1935) defines job satisfaction as any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job. According to this approach even if job satisfaction is under the influence of many external factors, it remains something internal that has to do with the way how the employee feels (Brikend 2011). Seemingly, this approach is in fit with Mullins' conception (2005) who perceives job satisfaction as an attitudinal and internal state. It could, for example, be associated with a personal feeling of achievement, either quantitative or qualitative (Brikend 2011).

Job satisfaction is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfilment (Kaliski 2007). However, people also can have attitudes about various aspects of their jobs such as the kind of work they do, their co-workers, supervisors or subordinates and their pay (George et al 2008). In this line, negative and unfavourable attitudes towards the job indicate job dissatisfaction (Armstrong 2006).

Thus, according to Brikend (2011), the issue is whether job satisfaction and job dissatisfaction are two opposite and excludable phenomena? In other words, these questions should be asked: could job satisfaction and dissatisfaction cohabit inside the same setting? Could we have, at once, satisfied and dissatisfied people although the implementation of certain ethical systems?

But, could job satisfaction be measured is also a legitimate question that leaders should ask. That is to say, one of the oldest approaches to measure job satisfaction is the degree of facial expressions presented by Kunin (1955) (from extremely satisfied to not satisfied).

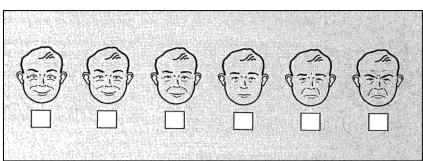


Figure N°3: facial expressions presented by kunin (1955)

**Source:** Smith, Kendall & Hullin (1969). The measurement of satisfaction in work and retirement. Chicago: Rand McNally. Adapted from Kunin (1955).

The faces scale was also recommended for the assessment of well-being (Andrews & Withey 1976), and sensory judgments of various stimulus qualities (Chen et al 1996). However, job satisfaction can also be measured by using tools such as the questionnaire, thus, high levels of job satisfaction may be a sign of a good emotional and mental state of employees (Brikend 2011).

Organizations should be guided by human values (Spector 1997). Such organizations will be oriented towards treating workers fairly and with respect. In such cases the assessment of job satisfaction may serve as a good indicator of employee effectiveness (Brikend 2011). The mission of leaders is not only to choose relevant tools to measure job satisfaction in order to get an HR idea about people's satisfaction, but it is also interesting for leaders to discern the effect of ethical environment enabled by ethical leadership engagement.

Dolan (2014) claims that leadership commitment can be witnessed by giving power to values<sup>18</sup>. Thereby, the empowerment process of HR values-based tools could be allowed by using the soft-power of values in order to converge them. Likewise, Blanckard & O'Connor (1997) argue that the values of the employees need to be aligned with the vision and the mission of the company. That is why, this strategic alignment process should synchronically be enabled as part of a durable workplace setting in which core-values are well shared, communicated, and understood by each stakeholder. However, in this philosophy, there should be no conflicting interests between the employer and the employees since their values, visions and objectives are unified and channelled into the same direction.

In this context, the ability to relevantly produce and communicate documents such as values policy, values vision, leadership engagement... Etc.,<sup>19</sup> could be one the right answers to how leadership could practically witness its engagement to internal stakeholders.

#### 1.3.1 The tool of values socialization

Axiologically, the invisible power of core-values is supposed to produce visible results in the workplace setting, by making it a healthy ethical environment, in which value congruence

<sup>&</sup>lt;sup>18</sup> As part of a training to get an international certification in coaching by values (2014). Guadeloupe. See the link: <u>Brochure</u> <u>2014.pdf (esade.edu)</u>

<sup>&</sup>lt;sup>19</sup> These proposed documents are extracted from certifying standards

is ensured for all internal stakeholders. In this context, the values harmony of newcomers to organizations could be achieved via a socializing process.

A study has shown (Cooper-Thomas et al 2004) the degree to which initial fit perceptions change depends on newcomers' experiences with socialization tactics, in particular the "investiture tactic"<sup>20</sup>. This latter argues that newcomers who received social support from insiders show higher perceived fit after the first four months as compared to newcomers having received less social support. Therefore, the study concludes that the drop in perceived fit from T1 (organizational entry) to T2 (after four months) is less for those newcomers that have experienced social support from others, which goes together with higher levels of job satisfaction and organizational commitment.

Thus, we can look at the socialization period as a mutual integration and understanding of each other's values; it serves as ethical means to match the values of the company with those of newcomers. However, it is clear that the forgoing study (2004) supposes that insiders in charge of socialization tactics with newcomers are already in fit with the company's values – the thing that needs to be critically clarified.

We propose accordingly that the implementation process of values socialization through ethical leadership is the result of an interactional situation that involves two central dimensions: absorptive capacity and transmission capacity. In this perspective, the corporate values transmission/absorption outcomes are part of intra-organizational tacit knowledge transfer. That is, values transmission and absorption capabilities are considered as immaterial assets which belong to the corporate tacit knowledge, and must be trained/coached to employees.

Bosch et al (1999) suggests that one the three types of combination, besides the system and coordination capabilities, is the socialization capability which is described as the "ability of the firm to produce a shared ideology that offers members an attractive identity as well as collective. In this perspective, socialization capabilities result from the firm's culture in terms of a system of ideas". In this view, Tijani (2011) claims that absorptive capacity is based on the distinction between codified knowledge and tacit knowledge, and represents a transition from imitative behaviour to creative and innovative behaviour, which makes it possible to endow the company with a dynamic capacity.

<sup>&</sup>lt;sup>20</sup> This tactic is defined by the authors as a situation in which newcomers receive positive social support from experienced organizational insiders

Furthermore, Ramachandran (2000) suggests that "Mirror neurons will do for psychology what DNA did for biology". That is to say that the mirror function is inside us, but we must activate it. Although, the company's people should avoid taking from top management a cut-and-paste approach to mirroring (Alione 2021), the ethical behaviour of leaders could neurologically generate people's mimetic situations compared to the nature of behavioural leadership and of course ethical engagement.

The values socialization strategy is also to select and choose hired employees based on their ethical absorptive capability of the corporate values – as tacit knowledge. That is, since values are axiologically considered as immaterial assets, in the store of values/knowledge, the company needs to preserve and maintain them.

#### **1.3.2** The tool of coaching by values

Leadership commitment could practically be applied by using a coaching by values approach; the forgoing concept is described by Dolan (2016) as the possibility to demonstrate a way of being as well as a way of doing, with the ultimate goal of helping people to understand their values and behaviour, via a process of dialogue and consensus, so as to share these values.

Managing and coaching by values in business, as a trendy and growing phenomenon, is the task of leaders in tomorrow-land; it provides an effective way for them to empower all employees and turn behaviour and emotions into a genuine source of motivation throughout the organization (Dolan 2016).

In the sport world, from which the concept of coaching originates, "the profession of coaching is similar to any other profession and requires a commitment to having a vision, a mission, and a core set of values to guide the way ahead" (Sport law 2015). This latter highlights the pivotal role that personal values play in decision-making and how they affect our daily interactions with others.

Coaching is not a practice restricted to external experts or providers; many organizations expect their senior leaders and middle managers to coach their team members toward higher levels of performance, increased job satisfaction, personal growth, and career development (Dolan 2011). In this perspective, the author suggests that when a company has a superb alignment, a visitor could drop into the organization from another planet and infer the vision without having to read it on paper.

According to Dolan (2011), creating alignment is a two-part process; the first is identifying and correcting misalignments; the second is creating new alignments, or what he calls "reengineering the culture with mechanisms of real reinforcement". Therefore, he suggests that "The first task for leaders, then, is to create an environment and a process that enable people to safely identify and eliminate these misalignments". In this perspective, Blanckard & O'Connor (1997) consider aligning the company daily practices with its missions and values as the third phase of the MBV process.

In fact, one of the most amazing advantages of coaching by values, as an organizational tool, is not only the fact that ethical coaching can be democratized to the company's people – since coaching by values is coaching by tacit knowledge as previously mentioned – it is also that top management can enable the application of a self-coaching approach by helping others in need, since it can be used by any leader at any level; it can be used at the team level, at the department level and throughout the entire organization (Dolan 2011).

Sportingly speaking, a shift toward values-in-action that reflects not only what we do but also how we do it may provide coaches with an additional lens to motivate excellence on and off the field of play (Sport law 2015). In other words, do we walk our talk? (Blanckard & O'Connor 1997).

#### 1.3.3 The tool of ethical standards

As the Centre for Business Ethics of Germany (ZFW- Zentrum für Wirtschaftsethi 2004) has already developed a SMV<sup>21</sup>, the goal of the forgoing system, which is based on voluntary commitment involving all the stakeholders, is to secure the sustainability and sustainable successful operation of the company (Pelcz & Szadai 2005). These authors suggest also that the elements of the value management system – the areas with hidden values – are revealed by interviews and questionnaires; that is to indicate ethical auditing processes.

This will prompt us to design a common system of values that could be managed, universalized, and standardized in compliance with corporate cultures, via a standard-setting body in order to create eventually a new certification standard that specifies ethical requirements for a SMV. An ethical system that should be submitted to audits of values (Krzakiewicz 2012), and to ethics continual improvement process to constantly verify its successful compliance. In this perspective, Pelcz & Szadai (2005) confirm that an ethical audit

<sup>&</sup>lt;sup>21</sup> A system of management by values under the title of: "Principles and elements aimed at strengthening permanence in the management of companies.

may be one of the most efficient tools to integrate ethical aspects into corporate decisions, systems, and cultures.

The key secret to the success of this SMV would be to give it a soul, once implemented, for protecting its sustainability at the post-certification steps of the system updating process; a soul that will depend on the system's ability to fit well with concerned organizational cultures, and to conciliate their contradictory interests.

As the standards are driving the organizations towards a process-oriented standard system, even in the field of business ethics (Pelcz & Szadai 2005), it would be interesting to conceive generic adapted requirements of an ethical standard that should enable companies to make their SMV not only "made in" but also "made by" without losing the system's DNA. It would be there a big challenge.

So, given the current data we have today, would we find in the upcoming years new positions such as: Values Manager, Values Auditor, Values Consultant, Values Trainer, Values Coach...?

#### 2. The Moroccan case of Sgs-Thomson factory

The Moroccan case of Sgs-Thomson factory in Casablanca illustrates how management could contain a practical meaning for companies when it is applied in line with people's mental universe (Iribarne 2007). Many companies, that wanted to create such a culture ex-nihilo, have failed (Watson, 1994). In the mid-1990s, the plant had just undergone a profound transformation in management and performance, which is mainly attributed to the implementation of certain new methods of management under the name of Total Quality Management<sup>22</sup> (TQM) (Iribarne 2007). The application of these new methods has led the factory to a remarkable technical progress compared to others internationally, which has gone hand in hand with behavioural change at all levels: at the work relationship, as well as the relationship quality vertically and horizontally (OP. Cit 2007).

<sup>&</sup>lt;sup>22</sup> According to Ciampa (1992), Total Quality is a company-wide effort that installs and makes permanent a climate where employees continuously improve their ability to provide on-demand products and services that customers will find of outstanding value. In this line, Iribarne (2007) considers that the Quality Management approach aims to unite and mobilize the entire company and its staff around a common objective, namely to achieve perfect quality.

According to Iribarne (2007) If this approach was accepted, it is because it took as its cornerstone the Moroccan conception of Islam. However, while having in mind that Moroccan society is very different from Indonesian society (Geertz 1968), Iribarne (2007) has critically highlighted the fact that if the TQM spirit was already present in the religious texts, according to the comments of several interlocutors, then why it has not been used beforehand.

In fact, the purpose of Iribarne's analysis of the Sgs-Thomson factory does not consist of providing an essentialist conception of Islam since he still considers it has no "magical effect". Yet, it is likely to play a role by helping to shape the mental universe within which management takes on meaning. Thus, the existence of companies marked by a highly cooperative culture, where the leader is "the creator of symbols, ideologies, languages, beliefs and myths" has been highly celebrated by management theorists (Peters & Waterman 1982).

Iribarne (2007) highlights that the implementation of the new methods has led to a breaking change of employees' behaviour; employees started to compare the current situation to the old period of management which was specifically connected to the perception of the "policeman officer". Just like the image of a police station: once a problem occurs, employees are required to justify their non-implication "It's not me" to be proven unguilty. Yet, the author (OP. Cit 2007) continues to show people's comments, "if an employee seeks for an information from other colleagues, it was as if he makes them accountable", "they were always asking why this information, who wants it?", "some did not even respond to their colleagues' requests of information", there was obviously no trust between employees.

The installation of TQM changed everything; a clear engagement of management is observed by employees; "the General Manager gives the example of transparency and straightness for everyone: people say "he queues at the restaurant", and "swipes his identification badge like everyone", "the levels are getting closer, there is no hierarchical barrier". And it is clearly seen that "the authority encourages, recognizes, explains, sensitizes, animates".

Simultaneously, many trainings are starting to take place, and people strongly believe that the "TQM is in our religion", explaining: "the prophet says seek knowledge, even if in China". The trust is being cemented between employees: "no more acknowledgement of receipt is required", "we trust each other", "now if someone asks for information, we know for sure that he needs it". "The information circulates", "there are a lot of meetings". "Now if a problem occurs, it is everyone's problem, everybody is involved to solve it", "When we are late, we have girls who organize themselves to work overtime".

Iribarne (2007) affirms there was a reform of behaviour, a kind of moral conversion; this evolution influences results. However, the author (OP. Cit 2007) sheds a positive light of the fact that TQM took, for its foundation stone, the Moroccan Islamic culture. He highlighted that, in contrast, other companies such as the "Office Chérifien des Phosphates" (OCP) where "it is written on the contract that it is forbidden to even drink coffee with a worker, I mean publicly, or to eat in a restaurant with workers", is something that should be brought to discussions.

It such a method succeeded in the Moroccan culture, it is likely because of the culture's fertile ground that highly contributed to reach that level of people's involvement. Islamically speaking, it does not take from anyone to sign or seal a document to get into Islam; only the oral statement "There is no God but Allah, and Muhammad is the messenger of Allah" is capable of making anybody a Muslim. That is to say, the Islamic culture is highly verbal; which means, it gives a high meaning and value to spoken words, the reason why it is islamically forbidden for example to lie, to insult, and to gossip.

There is no perpetual and daily need for documented information such as acknowledgements of receipts, meeting minutes, or any other form that documents everything said. Because excessive traceability of documents could also be a signal and source of untrusting attitudes. Even though, Muslims are textually required to document engagements in a moderate level; in this regard, the scriptural text contains literally "when you contract a debt for a specified term, write it down" (Verse N° 282. Surat Albaqarah).

In fact, the current case demonstrates how relevant it is to invest in the cultural values of the company, taking into consideration how the attitudinal fabric of the corporation has significantly contributed to changing mentalities, and served as a launching pad towards a healthy workplace environment, leading to a serious involvement of employees, as well as to a productive communication. Of course, this process would not have happened, if it had not been initiated and powered by a polymorphous and clear engagement of ethical leadership, which consists of showing the example, based on the corporate collective perception and beliefs, in order to drive, on the one hand, towards reconcilability of opposing interests between the company's owners as well as employees, and on the other, to unify and harmonize the corporate values in alignment with the vision and mission of the company. Culture is the most difficult thing about an organization to change in a lasting way (Payne et al 2022). We can confirm that, the ethical glasses are the wisest tools for a company that aims to watch the future; investing in a set of "walking values" is investing directly in long-lasting conditions, allowed through productive healthy workplace environments, in which a general state of felicity for the greatest



number of employees could enable them to give to the best of their potential (Bentham 1781; Mill 1863).

#### Conclusion

Values are the difference that makes the difference (Elmandjra 2007). The current theoretical research has shown that any organization is a store of values and a point of intersections between the values of internal stakeholders as well as external ones (e.g., newcomers...). Being tacit and transmissible knowledge, top management has the power to committedly empower work values by developing people's absorptive capabilities so as to unify, share, and communicate people's core values that are in alignment with those of the company's mission and vision. To implement an ethical environment, leadership can be armed with HR values-based tools (i.e., values socialization, coaching by values, ethical standards).

We highlighted that MBV is the common ground between job satisfaction and ethical leadership commitment; it allows a thriving ethical workplace with appropriate and dignified conditions for employees to give to the best of their potential and skills – an ethical setting that depends also on ethical profiling of top management. The job of HR Managers inside ethical corporations would be, first, to help and support implementing the values vision of leadership over employees leading to the ethical environment, and then, to facilitate the HR alignment of the people's values with those of the firm, which goes hand in hand with people's job satisfaction.

As with humans, eternity is basically one of the most desirable dreams that most companies are perpetually trying to achieve. That is why they invest in future corporate sustainability so as to make durable their business life cycle. In this conception, many proactive approaches have been established in order to envisage internal and external challenges and take preventive measures, in part of continual improvement processes. This prospective vision cannot occur separately from the consideration of job satisfaction as well as its durability dimension.

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