

# Values of effective leader

[Business](#), [Leadership](#)



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1. Introduction Paying attention to our values helps us to: ? become self-aware ? make ethical decisions ? prioritize our tasks ? develop credibility as a leader

Reasons why values are important to managers: 1) Understanding one's own core values is essential to becoming self-aware. And self-awareness helps us to understand how people perceive us; also it allows us to identify the personal qualities that we would like to change.

Values influence our choices, but our choices also influence our values with time. If we don't pay enough attention to examining the correspondence between our actions with our values, our actions may be guided by immediate concerns and instant gratification rather than our values. Process of changes in values takes a lot of time, but usually it begins with changes in behavior. Over time, we start to take for granted the choices that we repeatedly make even if they are initially inappropriate with our values, and our values begin to float as well.

Clarification and requalification of our personal values can stop that float. 2) People who internalize and act on standards of justice and human rights achieve a high level of moral development, and they make ethical decisions. During our lifetimes, we pass through different stages of moral development. Small children, at the pre-conventional level of moral development, make choices on the basis of the immediate consequences of their decisions. People who have not developed further than the

preconventional level of moral development, only choose an ethical alternative if it's in their immediate personal interests.

People who step forward to the conventional level of moral development make decisions on the basis of the formal rules and informal norms of their social context, and will choose ethical alternatives even at the cost of forgoing their self-interests. The small percentage of people who progress to the highest level of moral development, the postconventional stage, make decisions on the basis of human rights, fairness and justice. Such people are willing to close the eyes to their self-interests and may even break society's rules and norms in order to act according to their principles.

People who achieve the postconventional level of moral development are trustworthy; it's difficult to bribe them and they are not pressured by peers.

3) An understanding of one's personal values is useful for time management. The majority of us has the opportunity to do more things than we'll ever have time to do. Consequently, we have to choose the tasks we will work on thoughtfully. An understandable picture of our personal values allows us to rank the tasks on our "to do" lists according to its importance for us. 4) Having a clear set of personal values helps us to build the reliability and trust that assists leadership.

The most challenging times for leaders are times when they must lead others into something new. Transformational leaders are able to influence their followers to increase their faith and follow them into the unknown; they build trust. We are more tending to trust people when we understand their values, and see that their actions are harmonious with those values, because we can predict how they will act. Today, companies are confronted with

different normative expectations from their environment and are expected to be socially responsible.

The discussion about responsible behaviour of companies is based on the increasing importance of values in business context. Important element of the choice of motives for human action is the set of values of the person involved in the action. In small and medium-sized enterprises which are human being-shaped more strongly than big companies, the question of values propagated and lived in the company refers directly to managers. There was one research conducted in co-operation between the International Graduate School Zittau (Germany) and the Technical University in Liberec (Czech Republic) in the period of March – September 2006.

It considers the question of what values are significant for small and medium-size companies' managers and owners and how they manage to bring their personal moral values into harmony with the company's interests. It focuses on personal values as broad concepts examining their importance in the context of the entrepreneurs' or managers' personal lives on one hand, and in process of making a decision and actions inside the company on the other hand.

2. Research Method and context of research

Small and medium-size companies were determined by the number of employees; companies were selected from the following business area: Industry ? trade ? service sector ? public and state authorities ? non-profit organizations ? counselor ? education

The statistics was collected by personal interviews using a standard approved questionnaire. The interviews were hold only with personnel responsible for decision-making: with the company's owner, director or manager. The questionnaire covered a variety of areas of

business ethics such as: ? perception and evaluation of the business ethics ? ethical values ? ethical/unethical behaviours ? attitudes towards unethical behavior perception of unethical behaviour ? role of success in unethical behavior In questions focusing on personal and company's ethical values, categories defined in beforehand of 20 values were used to evaluate their importance in the process of decision-making. Connection between personal and company's values was calculated by Likert scale[1]. As a point of departure for the analysis of categorical variables, percentage frequency tables were used to describe the importance of personal and company ethical values. . Results of reserch The significance of personal values Owners and managers are not just business people; they are also human beings. They have their deep personal values and that are unlikely to change in a short period of time. To investigate the owners' and managers' personal values importance, 20 values focused on the objective that one would like to achieve were selected from different areas of value system. Respondents were asked to tick five the most important and five the least important values.

According to survey: [pic] The majority of asked owners and managers consider health(86 percent) and family(76 percent) to be the most important personal values. Other personal values that have got comparatively high number of answers were reliability (51 percent), integrity, honesty (42 percent) and trust, reliance (40 percent). About one third of respondents stated responsibility(34 percent), money, financial success and prosperity (31 percent), and education (29 percent) to be one of very important values.

The least important values with the lowest frequency of answers (stated by less than 10 percent respondents) were commitment (2 percent), individualism (3 percent), discipline (6 percent), openness, frankness (9 percent), and credibility and trustworthiness (10 percent). Also survey showed that reliability was perceived to be more important personal value for companies operating in the industry, trade and service sector than to non-profit organizations, state and municipal authorities, education or consultancy companies. The significance of business values

Alike the personal value system, the importance of values in term of corporate management and culture was studied by the research. Respondents were asked to tick five values that in their opinion are the most important in their business activities and decision-making processes. Also, they were asked to mark five the least important values in managing their business. According to survey: [pic] Comparing to personal values, the importance of values in management is not so clear. The highest achieved number of answers (65 percent) was showed in professionalism and quality.

Just about 50 percent of respondents said that reliability (53 percent), and relationships, co-operation and team work (51 percent) are important values in their management. Roughly one third of respondents believe that integrity, honesty (36 percent), responsibility (35 percent), focus on success, profit, prosperity (32 percent) and flexibility (30 percent) to be very important values in business operations. The least important management values were individualism (2 percent), tolerance (3 percent), openness, frankness (5 percent), discipline (6 percent) and respect, acknowledgement, justice and fairness (7 percent).

Concurrence of personal and business values Growing competition and unstable business environment force managers to look for the highest possible return on each investment and develop strategies that can increase companies' profits and success. This puts high pressure on companies' owners and managers. In order to fulfill all requirements, owners and managers are often have to make decision and act at variance with their believes and personal values.

For this reason, the research examined how difficult it is for owners and managers of small and medium-size enterprises to bring their personal values in concurrence with their business values, and under what circumstances they would make a decision that would be against their personal moral values. Respondents were asked to mark if they agree or disagree, using Likert scale, with six statements that show complexity in keeping their business decisions and actions (business values) in concurrence with their personal values.

Over a half of respondents agreed that for owners and managers it is difficult to behave according to ethical norms and values either because: ? it is not possible to fulfill expectations of people (agreed 70 percent of respondents), ? conditions in the market are not adjusted for ethical behaviour (69 percent), ? there is danger that competition will be stronger (67 percent), ? there are no ethical regulations in the company (50 percent). Also, about 57 percent of respondents agreed that it is not difficult to act according to personal ethical values but in order to achieve company's objectives, it is inconvenient.

Roughly 49 percent of respondents agreed that it is not difficult to combine their personal and business values, even though it is uncomfortable for them. What's more, the survey showed that about 3 percent of respondents would always and 31 percent maybe act against their personal values if they could increase success and profit of the company whereas, in case of the company bankruptcy more respondents would be certainly (about 25 percent) or very probably (47 percent) willing to step on their personal values.

Approximately 84 percent of owners would act against their personal values in order to save their company from bankruptcy, comparing to 72 percent of managers and 69 percent of directors. 4. My view on values in terms of management Value is a choice of that you think is important in the present. Values are not something that can be seen. They can be recognized only by studying reactions and attitudes that motivate your behavior. Values and personal life positions are formed under the influence of experience on the stage of person and in the long term may be inappropriate or even destructive.

Children are closely watching their parents and see how they behave in times of black and white stripes of life. Bearing in mind and sensing behavior of parents in a calm and tense moments, the often begin to imitate their parents. Children also react to how they are treated, and are seeking ways to overcome the certain problems that arise. Child perceives, mimics, experimenting. Some things he drops and develops a certain way of behavior for himself. Heads of companies are not insulated from each other in their work.



They are influenced by the values existing in a particular social group, especially the views and personal outlook of the senior managers. Due to the need to remain to the style adopted by the corporation, individual managers have problems. The relation between personal and corporate attitudes may vary from support to dissent. Managers with blurry personal values are not tend to doubt their own values and also, in most cases, they tend to ignore data that disagree with their values. They have tendency to be inconsistency.

Often, can't take a quick decision when it is needed and don't want to take a key position in the dispute, or in making important decisions for the company. Thus, they are trying to shift responsibility to others and to avoid situations where they are expected to explain the decision they made. Managers with clear personal values, on the contrary, often doubt their own values; they are very serious about the role of values in decision making. They are able to change their values under the influence of perceived data and experience and are open to talk about it and discuss with colleagues.

They are always ready to take the responsibility for decisions made according to their personal values and enthusiastically accept views of colleagues that are different from their own. They are truly trying to understand others' views. These managers are always reliable in making decisions. Both, in everyday life and at work, they always rely on their beliefs and act according to them. Usually, such managers become more effective leaders of organizations, employees tend to listen to them and appreciate them and trust their choice (decision).

### 5. Conclusion

It is hard to make a standard list of corporate values, because the organizational culture is almost always a mix of original values, attitudes, norms, customs, traditions, behaviors and rituals that are unique to this organization. The purpose of common values is to unite people in groups, to create a powerful force in achieving goals. This aspect of values is widely used in organizational culture, because it allows people to achieve goals. As shown by different studies around the world, today's qualified employee wants to receive from the organization more than just money.

The materialization and impact of a number of social factors led to the formation of a great class of the today's employees, the expectations are very different from those that dominated in the previous generation. Nowadays, workers are counting not only on financial success, but also tend to psychologically feel comfortable in the organization, and on cultural values which match their personal values. Each organization carries out its activities according to those values, which are essential for its employees.

While creating an organizational culture social ideals and cultural traditions of the country should be taken into account. Moreover, for an absolute understanding and assimilation of values in an organization, it is important that the corporate values vary within the organization. The gradual acceptance of these values will allow members of the organization to achieve stability and success in organizational development.

References: 1. [http://community.livejournal.com/marketing\\_club/14212.html](http://community.livejournal.com/marketing_club/14212.html) 2. [http://www.fin.ru/management/practice/man\\_today/lichn.shtml](http://www.fin.ru/management/practice/man_today/lichn.shtml) 3. [http://www.summittraining.co.uk/news-detail.asp?fldNewsArticles\\_ID=126](http://www.summittraining.co.uk/news-detail.asp?fldNewsArticles_ID=126) 4. <http://www.ipsihologia.com/?p=206> 5. <http://quality.eup>  
<https://assignbuster.com/values-of-effective-leader/>

ru/MATERIALY7/cck. html ----- [1] A Likert scale is a psychometric scale commonly used in questionnaires, and is the most widely used scale in survey research. When responding to a Likert questionnaire item, respondents specify their level of agreement to a statement. (www.wikipedia.org)