

Reasons for abb's strategies and vision regarding integrity case studies example

[Business](#), [Company](#)



Introduction

Integrity is a key requirement for the success of every business, whether it is a local business, or has its roots all over the world. Businesses cannot exist without customers and clients. In order to survive the ever-existing competition from other businesses of the same type, they depend on the credit brought in by these customers. It, therefore, means that both managers and all the employees of a particular business must exercise high levels of integrity in order to win customer trust and even attract more customers. Focusing on integrity has made ABB companies perform well in the market and has also increased on their overall revenue collection.

Vision on Integrity and the Future of ABB Companies in Sweden

Research indicates that ABB's top managers work hard to improve their service delivery to customers. They engage all of their employees and train them on how to handle customers during service delivery. As stated, teamwork and a clear commitment by all stakeholders, that is, top managers and employees, draws customers nearer, which is a benefit to the organization. According to the Nordic Council of Ministers, "Integrity top priority at ABB" (Nordic Council of Ministers, 2010), and all the companies under ABB's umbrella have a strong culture of integrity, which boosts long-term existence, and sustainability of the companies.

The strong emphasis of ABB on integrity can be traced to the Nordic heritage of its parent companies. Integrity is a necessity in the heavy industries in which ABB operates, and having a safe work environment while producing a

high quality product is a must for ABB. ABB's subsidiaries in Sweden represent some of the finest and most highly regarded companies, and so the methods at factories in this country are often copied throughout ABB. Integrity is taken seriously at these premier facilities, and Sweden houses two of the seven ombudspersons for the Northern Europe region.

Furthermore, top managers at ABB have a greater vision of integrity, and for this reason, they have come up with systematic methods (programs) that are geared towards solving integrity issues that may arise. First, the programs detect any violation of integrity, then they resolve that particular issue, and finally they prevent the same from happening in the future. Employees who worked in an ABB group of companies sign a zero-tolerance policy at the time employment.

This is a solid move by the companies so as to guarantee their customers that all employees will observe integrity at all times during service delivery. Besides that, employees have the freedom to ask questions about the same so that they feel comfortable with the working conditions. They are specially trained to identify risks and how to solve them without affecting customers. ABB's facilities in Ludvika represent a fine example of ABB excellence that has been emulated throughout the world. The ABB campus in Ludvika employs twelve percent of the local town's population. Furthermore, a majority of these workers are members of unions. The open whistleblowing process at ABB could be seen as a result from situations like the one at Ludvika. Most often in a unionized workforce, workplace condition complaints are the most common. This is particularly prevalent in heavy industry where the dangers of work exist daily. It is important that workers of such high

quality, such as those at Ludvika, have the opportunity to disclose any grievances. By keeping these workers satisfied, ABB is not only able to produce a high quality product but also stimulate innovation. When there is a high degree of integrity present, employees are more likely to try to improve work processes and contribute to the profitability of the group.

Research shows that ABB managers say that they want “ integrity embed[ded] in people.” ABB has committed itself to drive forward the culture whereby integrity becomes the first concern of all that takes place within and outside the companies’ premises. Managers of the companies want the future customers to have trust in the activities carried out by the company, and so they need to act responsibly both as a company and as individuals (employees). To attract more customers and sustain them, the company managers say that they always create working rules for employees and managers too, and they make sure that they follow them as required. Further reports state that employees who do not show concern for the customers are not allowed to work in any company within ABB’s management body.

In addition, the management looks forward to improving the future integrity standards of the companies. To achieve this, they have developed a top-down approach which will ease communication between the employees and management. The approach will also ease the way customers respond with inquiries. Regarding integrity, the graph below gives a clear illustration of where ABB was, as a company, some years back, where they are today, and where they want to be. The graph shows that, before adopting integrity into their business model, there was too much supervision and disciplinary action

taken against employees who could not follow the set rules and regulations. Now the company is in a state whereby employees comply with the business principles; they observe self-discipline, seek advice, and are responsible in all of their undertakings. The graph indicates that as time goes by, top managers and all the employees need to be more responsible. They need to do what is correct when the customers are not watching. They want to see the business benefiting from the results of integrity integrated into the business.

There are many reasons why ABB companies have vision regarding integrity. Research indicates that companies and firms that observe integrity have higher chances of success in the field of specialization. Customers are always offended when companies do not have their (customers') interest at hand. Therefore, ABB companies have the following reasons for implementing and integrating integrity in all their undertakings (Steers, Sánchez-Runde & Nardon, 2010).

First of all, ABB companies want to win customers' trust. It is true that the trust cannot be built however successful the business may be. Doing the right thing for customers establishes trust and builds confidence with the customer. Research indicates that ethics and integrity in Swedish companies make the customers agree to most of the conditions set by the business provided that the conditions are reasonable enough to be followed. ABB companies in Sweden also want to build a positive relationship with the customers, and for this reason, the top management has to develop strategies that will gear up integrity in the business (Cattani, 2011).

The integrity of the business will also boost the employees' trust and confidence in the managers. They (employees) of ABB companies in Sweden will know that they are guaranteed their salaries on time.

Furthermore, building strong integrity standards helps to boost the reputation of the business and positively affects sales and productivity of company products. To increase production, ABB managers will have to attract more customers into the company by building their trust. Failure to do that will result in a drastic decline of customer inquiries and an overall reduction in sales. Instead, integrity has made ABB companies in Sweden become more committed to serving its customers as the number increases. Increase in customers means increased responsibility and commitment from the company employees, and more managerial duties for the managers (Yeung, 2011).

Integrity in business underpins how the company works both internally and externally. ABB companies in Sweden can relate better to customers, employees, the countries where they operate, and the public at large because of high levels of integrity. It is stated that the smallest levels of infringement in a company can destroy what the company has built for many years. For this reason, ABB companies in Sweden observe high levels of integrity and ethics while doing business since they want to maintain a good business name, good work ethics, and good relationships with customers (Tihanyi, Devinney, & Pedersen, 2012).

Conclusion

Integrity is as important to the business as to the customers, and a work environment based on integrity, like ABB provides, will persist simply because it produces the best results for the company. In an environment where employees are trusted, productivity abounds, and for the success of any business, the managers must have ways to build integrity among the workers. A business with high levels of integrity retains most, if not all, of its customers; thus, it is a guarantee that the business will continue to grow. More sales and service delivery in any business setup is determined by how much the existing customers can trust the business, and also determines customer absorption into the business.

In addition, because of the strong Nordic values of integrity shown by ABB, the company experiences little trouble with its Swedish subsidiaries. Instead of problem children, they represent some of the highest quality companies within the group. Therefore, the methods used in Sweden should be analyzed and emulated throughout the global company.

References

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