

Conflicting Values and Competing Priorities: the Evolving Conundrum

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Abstract

The fast pace and global nature of today's business environment is constantly challenging organizational and individual value systems. Managers and employees are expected to make decisions to meet short term demands based upon shareholder needs. At the same time, they are also challenged to make decisions to ensure long-term growth and sustainability. Organizations today need managers and employees who can thrive in a High-Performance culture where they can make decisions which align actions and resources with strategic priorities and shareholder demands. They must do this while simultaneously and effectively addressing potential challenges to organizational and/or individual value systems. This theoretical paper will discuss and propose a process and models to identify how a firm and/or individual can use their value systems to drive the correct decision making behaviors. It will also provide deeper insight into how organizations and individuals can address both short and long term needs.

Introduction

"You can please some of the people some of the time, all of the people some of the time, some of the people all of the time but you can never please all of the people all of the time."--Abraham Lincoln

With the increased challenges in today's global business arena, it is getting increasingly difficult for managers and employees to meet everyone's needs. On one hand we have the corporate shareholders pushing for increased shareholder value, government regulators and vested interest groups creating more demands and on the other hand we have customers and employees requesting more value to enlarge their pieces of the pie.

This creates a conundrum for managers and individuals who are caught in the middle trying to please everyone. In a perfect world, they would find a win-win situation and please everyone but this is a lot easier said than done. The manager and employee are in the middle of the competing priority syndrome where they need to make decisions that may or may not be popular amongst all groups.

It is very hard to make short-term decisions to please everyone today while simultaneously meeting the challenging needs for the long-term. One of the major difficulties with competing priorities is making the correct short-term decision that will also support and sustain the long-term growth of the organization, while honoring organizational values. This alignment between the short term decisions and long-term decisions grounded in a culture of

values-based decision making is necessary for high-performance organization's to be successful. A few examples of the challenges are as follows:

- Speed to market versus quality-driven products and services
- Cost focused rather versus innovative or rationale decision making
- External stakeholder value versus employee engagement and satisfaction
- Dollar-driven versus value-driven decisions

Managers and employees need an “anchor point” to measure their decisions against (Collins, 2001) and a process to analyze the competing priorities to align the short-term and long-term needs of the organization. The anchor point would be the *values* that can be utilized to drive the correct cultural behaviors within the organization so that the best or correct decisions can be made under times of compromise or stress.

For this to happen, it would entail two steps: (1) managers and employees need to understand the concepts of an organization being an open system based on a value driven culture and (2) managers and employees need to understand the competing values framework and how it can assist to make the correct decision during times of competing priorities which can jeopardize a values-driven culture.

Why Value Driven Cultures?

In three research studies of Fortune 500 companies based on success criteria and indicators of success, one common theme of the successful firms throughout, was the core ideology (Collins & Porras, 1994; Collins, 2001; Collins, 2009). The core ideology was defined by Collins and Porras (1994) as the [organization's] core values plus the organization's purpose. This can be broken down further into the firm's core values defined as: “...the organization's essential and enduring tenets, not to be compromised for financial gain or short-term expediency (Collins & Porras, 1994, p. 73)” or “...nonnegotiable tenets against which we measure the worthiness of our choices (Pottruck & Pearce, 2000)”.

Collins and Porras (1994) benchmarking research identified degrees of visionary companies with eighteen of them identified as “Built to Last” that noted the following financial success:

- \$1 invested in the general market stock fund in 1926 would equal \$415 in 1990
- \$1 invested in one of the comparison groups in 1926 would equal \$955 in 1990
- \$1 invested in one of the visionary companies in 1926 would equal \$6,356 in 1990 (Collins & Porras, 1994, p 4)

Collins subsequent (2001) research identified eleven vision driven organizations identified as “Good-to-Great” organizations that noted the following financial success:

- \$1 invested in the general market stock fund in 1965 would equal \$56 in 2000
- \$1 invested in the Good to Great firm's mutual fund in 1965 would equal \$471 in 2000 (Collins, 2001, p 3)

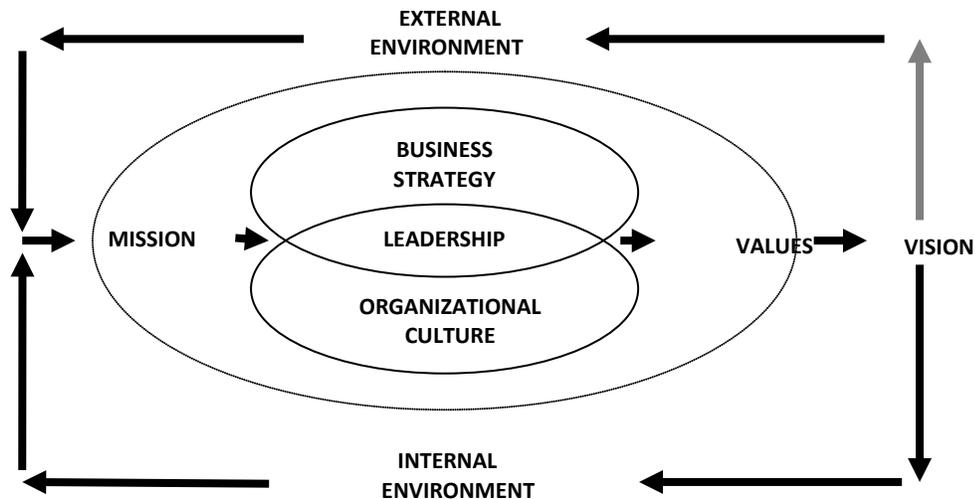
Of the populations from the 1994 and the 2001 research only one firm (Philip Morris) remained on the list. Further study by Collins (2009) suggested that no firm can remain a

visionary company forever because of the challenges and compromises of today’s fast-paced world. Superior products only last for certain periods of time and all firms will experience a decline. Collins (2009, p 43) recommended a challenge to the old business paradigm. “The rhetoric of success (“We’re successful because we do these specific things”) replaces understanding and insight (“We’re successful because we understand why we do the specific things and under what conditions they would no longer work”).

The previously mentioned research studies (Collins & Porras, 1994; Collins, 2001; Collins, 2009) did not find a panacea for predicting long-term growth and sustainability for organizations: What they did identify is the importance of *values* to drive cultural behaviors to build and sustain high-performance organizations.

In order to understand how organizational values can drive cultural behavior and decision-making, an open systems model approach will be utilized. The concepts of looking at organizations from an open systems perspective have been discussed and advocated for decades (von Bertalanffy, 1968; Laszlo, 1972; McGivern & Tvorik, 1998; Cummings & Worley, 2009; Meyer & O’Brien-Pallas, 2010). Figure 1 identifies a value driven open systems model that is proposed as a tool to be utilized by leaders and managers.

Figure 1: Value Driven Open Systems Model



Adapted from: Taylor, J. C. & Felten, D. F. (1993); McGivern, M. H. (1998).

In this model the *vision* “pulls” the organization forward towards the future and the *values* are the “anchor point” (Collins, 2001) that all decisions are measured against. The model places *leadership* in the center of the system to identify its importance in living the values and managing the behaviors of the organization.

The success of the model is contingent upon leadership's ability to focus and control all cultural behaviors and decision-making on the utilization of the organizational values. This is done correctly through the leader’s ability to balance the business strategy, the organizational culture, external feedback and internal feedback without compromising the values. This results in the organizations ability to continuously renew itself without sacrificing its integrity (Carr, 1996; Moore, 1996).

As the center of the model fluctuates in a constant balancing act around the firm’s *mission-leadership-values* path (business strategy & organizational cultural) the *internal* environment and *external* environment feedback loops continually evolve and provide timely crucial information that leadership must pay attention to in order to learn about the business opportunities available for growth and sustainability. The internal feedback and external feedback comes in many forms (see Figure 2) but it cannot be ignored. The feedback must be measured against the organizational values or the “anchor point” to make sure that when the values are challenged, the correct decisions are made to protect and not compromise the values. *“It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change (Charles Darwin)”*.

Figure 2: Feedback Examples

External Feedback	Internal Feedback
<ul style="list-style-type: none"> • Consumer Satisfaction • Market Fluctuations • Regulatory & Compliance • Health of the Economy • Global Challenges 	<ul style="list-style-type: none"> • Employee Satisfaction • Employee Retention • Ability to develop a Learning Organizations • Leadership Development

This model is not meant to be a predictor of success rather it is a tool to be utilized to show leaders of organizations how the elements of the Value Driven Open Systems model align and affect one another. For example, decisions made on the business strategy side of the model must be weighed against the organizational cultural side of the model to make sure it is not compromising the values or as Collins (2001) notes “anchor points” of the organization (“...we understand *why* we do the specific things and under *what* conditions they would no longer work”).

Recognizing competing values and managing the tensions

As open systems, organizations often find themselves in the midst of competing values and priorities due to demands and expectations of both internal and external stakeholders and the need for maintaining stability while at the same time remaining flexible. Managing the tensions created by these stakeholders and environments requires the use of tools to navigate the complexity often found in today’s organizational decision-making.

For twenty-five years, the Competing Values Framework has served as a mechanism by which researchers and practitioners from leading business schools and organizations make sense of and manage the competing values and tensions within an organization (Cameron, Quinn, DeGraff & Thakor, 2006) Named as one of the top 40 important frameworks, the Competing Values Framework was derived from research of the factors which contributed to highly effective organizational performance (Ten Have, Ten Have, Stevens, Elst & Pol-Coyne, 2003.) The uniqueness of the framework is that it can be applied to both the individual as leader as well as to the organization to increase its effectiveness.

Figure 3: Overview of the Components of the Competing Values Framework

aspects of organizational performance. While the Create (i.e. research and development) and Compete (i.e. sales and marketing) quadrant functions focus on the external environment and provide the necessary practices to effectively remain competitive in the marketplace. Additionally the Collaborate and Create quadrants contribute to organizational flexibility while the Control and Compete quadrants maintain organizational stability. The leadership style required to promote flexibility is recognized as transformational: Whereas the leadership style that promotes control is classified as transactional. The Competing Values Framework is best demonstrated in a four-quadrant model as outlined in Figure 3.

Given the dynamic situations occurring within organizations, the ability to ‘flex’ the various roles and practices to meet the changing needs of the organization is paramount to achieve and sustain organizational effectiveness while not losing sight of the values and culture of the organization and its members: in fact, the values should be the foundation from which behaviors are recognized and rewarded to sustain performance aligned with the strategic goals (and values) of the organization. Leaning too heavily in any one area of the framework reduces the ability and capability of the organization in other areas. For example, an over reliance on Control through quality assurance, organizational systems will result in less innovation and may limit competitive advantage and participative decision making. With clear definition and understanding of organizational values, the Competing Values Framework can be used to ensure practices and behaviors do not jeopardize but actually reinforce organizational values.

Conclusion

The key concept in this theoretical paper was to have leaders understand the need to utilize a values driven organization to enhance solid decision-making to protect the short-term and to sustain a long-term growth of the organization. This can only be accomplished by clearly identifying and communicating organizational values, supporting those values with behavior, rewards and recognition, and anchoring those values in the day-to-day decision making. By creating a value driven open system organization which develops into a culture that is focused on the core values, a leader can transform an organization from being results driven ‘at any cost’ into one which behaves as though it knows why it ‘does what it does’ and what it ‘stands for’ in the process. It is also advocated that the organizational leaders prioritize the organizational values. By doing so, when the leaders and organization are under challenge by external or internal factors, they can make decisions that can best fit the short-term and the long-term needs from a values standpoint.

It was suggested earlier in this paper that no firm can remain a value/visionary company forever because of the challenges and compromises of the fast-paced world today. Much like the business lifecycle, superior products only last for certain periods of time and all firms will experience a decline (Collins, 2009). If this reflects reality, then no firm can totally protect all their values in every given situation and circumstance and over sustained periods. But in order to remain true to their beliefs and core ideology, they need to protect as many values as possible. Applying the concepts and tools introduced in this paper, individuals and organizations can develop a stronger understanding of how values are tied to performance and the sacrifices which are made when some roles and behaviors are emphasized in order to achieve results. Tensions which are created due to resource allocation can be managed effectively and associated values prioritized in order to achieve organizational performance. Therefore, by creating a prioritization

of those values they can minimize the compromise and challenges while protecting the short term, and sustaining long-term growth.

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