

***<sup>i</sup>INTERPLAY BETWEEN ORGANIZATIONAL VALUES & EMPLOYEE RETENTION***

(Based on Ethnography Studies)

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***Abstract - We often hear the words, “our employees are our factual assets”. Giving due recognition to the people is an organizational value and values are mirrored through the actions people take in the organization. There is erosion of values in the society. An organization is a sub-system to the social system. The Subsystem cannot remain untouched in case the system is affected. People carry value and biases with them to the organization and with biases with them to the organizations and behave accordingly. A person with biases is an enemy within the organization and is always a threat to its image. Indifferent attitude towards the preservation of ethical values and moral standards can lead to the problems as poor work culture and climate, dirty organizational politics, tarnished organizational image, poor customer satisfaction, inefficient governance, poor employee retention and so on so forth. A conspicuous organizational personality attracts and retains people as they take pride in being associated with it.***

***“Sometimes it is better to lose and do the right thing than to win and do the wrong thing.” –  
Tony Blair, Former Prime Minister of the United Kingdom.***

***Keyword: Organization, Work Culture, Tarnished organizational image, Retention, Social System.***

### **Related Concepts**

Organizational values are the in-built checks to guide an organization’s growth and development. Values rule the actions of the workplace. They are central to the existence of an organization and reflected in the vision and mission of the organization. Value based organizations only hire and retain those employees whose actions and attitude are congruent with the core organizational values. An ethically and morally sound organization holds a shining image in the eyes of the stakeholders and proves the cause of its existence. Organizations believing in values and ethics play long innings and keep their future secured.

Organizational ethics examines the rules and principles of business in order to ensure that they are ethically and morally tested. An ethically concerned organization often asks itself whether its conduct is morally right or wrong. A sound ethical and moral behavior can only be ensured if all the persons having stake in the organization vouch for it.

Work ethics can be termed as a set of values that relate to the behavior at work. Honesty, punctuality, regularity, integrity, accountability, hard work, commitment, devotion, loyalty, sense of belonging and so on are some of the examples of work related values. Values are the incarnation of organizational stands and the foundation for behaviors for the members of the organization. People look forward to go for the work with the people you like, admire and respect. By learning, the letters containing by the term organization one can know the nature of value based and value biased organizations. The ensuring text presents it more vividly:

**Value Based Organization**

O open

R Righteous

G God-fearing

A Altruistic

N No hidden agenda

I Integrity

S Scrupulousness/ Sincerity, Self-confessed

A Achievement oriented

T Transparent

I Interactive

O Obligated to society

N No compromise with ethical and moral values

**Value Biased Organization**

O Opaque/ Oppressive

R Resistant to Change

G Goalless/ Graceless

A Abrupt/Approach

N Narrow thinking

I Identity Crisis/Insincere/Incognito

S Self-conceited

A Alleged

T Tarnished Image

I Inconsiderate/Incompetent/ Insensitive to Social obligations

O Overweening

N Nuisance

### **Professional Ethics and the Functional Areas**

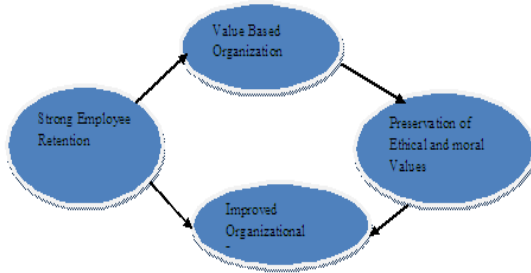
Professional ethics covers the gamut of business activities carried out in various functional areas of an organization. The onus lies on the shoulders of the organization to make it ensured that the professional activities are carried out in an ethical manner. The forthcoming text touches upon some of the malpractices or unethical activities occurring in various functional areas of a business.

In the area of financial and accounting, some of such activities can be camouflage accounting, misleading financial accounting analysis and other scandalous financial and accounting practices. In human resource area, such activities may include employee discrimination on the basis of gender; religion, region, race, age, disabilities and so on. Lack of functional autonomy and freedom, lack of transparency at the work place, poor quality of work life, autocratic behavior of the supervisors, lack of open door policy, encroachment of human rights, lack of motivation on the part of whistleblowers, lack or inadequacy of safety and security measures at work and so on so forth. In the functional area of marketing unethical and unmoral activities can be as price fixing, price discriminating, fleecing the customers, hoarding, unfair competitive practices, unethical advertising, tempering with the quantity and quality etc., In the production area, the unethical practices may include manufacturing of defective products, harmful products, providing poor quality products and services, creating environmental pollution, encroachment of animal rights and so on.

### **Organizational Values and Employee Retention Interplay**

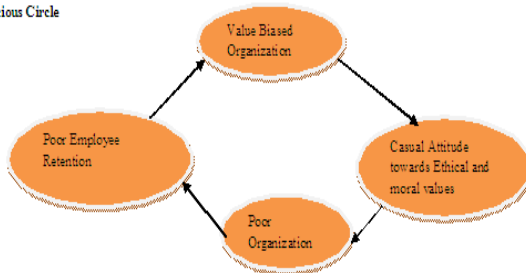
Researcher have validated the fact that employee share organizational values. The phenomenon can be termed as value congruence. Work Environment is a great source to fulfill social-psychological needs. Precisely mentioning, a study by Edwards and Cable 2009 exhibited that value congruence leads to job satisfaction, organizational identification and intention to continue with the organization.

Figure-1 Virtuous Cycle



The value based organizations that believe in maintaining their ethical standards and moral values hold an enhanced image in the eyes of the public. They epitomize high employee and customer satisfaction, sound financial health, competitive edge, good reputation and strong employee retention.

Figure-2: Vicious Circle



Organization that are value biased and possess a casual attitude towards ethical standards and moral values hold a tarnished organizational image. They feel difficulty in retaining their customers and suffer from unexpected employee turnover. Their image in the market is poor and their success is always doubtful.

Figure: Organizational Values and Employee Retention Interface



Top management must guarantee that organizational values are duly advocated and promoted. It must also ensure that such values are reflected in the activities of the organization. This will help in creating a

safe work place, which in turn will provide the employees with happy and employees will further be motivated to espouse organizational values and ethics and this will facilitate organization to propagate its values and ethics in an improved manner:

What can be done?

In order to shield the organizational value system there is a need to take a few precautionary measures. Some of these measures are mentioned below:

#### **Few Tips**

Education and training programs for the promotion of the organizational values must be regularly organized.

Top management ought to advocate organizational values and standards.

People shielding the organizational value system must be recognized and rewarded.

Whistleblowers should be promoted.

Organizational value system should duly be communicated to the grass root level.

An effective mechanism should be evolved in order to ensure that the organizational values are unharmed and are duly maintained.

Contradictory behavior patterns must be met head-on.

The value ought to be reexamined and enlivened so as to ensure that values no more representing the work culture and dropped.

#### **Action Research**

An organization can make a collaborative enquiry with the help of action research (AR) so as to address various performance related issues. AR is a process of collecting information, evaluating the collected information to define the problem, interpreting and explaining the problem, resolving it by finding appropriate solution and ensuring the effectiveness and appropriateness of the solution and upshots. AR aims at improving professional practices through ceaseless learning and progressive problem solving. The process can be abridged as Look, Think and Act (Stringer 1999). Look- Building the picture. An organization confronting with the problem of erosion of ethical values and moral standards can collect information about the erosion of such values and standards. It can further evaluate the collected information to ascertain and define the problems.

**Think-** Interpreting and analyzing. The organization at the time of evaluating, analyzing and interpreting the situation can explore the exact reasons responsible, as how and why the ethical values and moral standards are wearing away and what can be done to tackle the situation.

**Act-** Resolving issues and problems. The organization can plan the line of action and portray the things to be done at length. The organization can further put the decided action to practice and monitor it and evaluate as what has literally been accomplished. For example, if one of the reasons responsible for the erosion of the values and ethics is lack of training, the organization can make it a point to provide the employees with certain training programs focusing on significance of organizational values and ethics in ensuring the organizational success.

#### **Suggestive Checklist for Organizational values**

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**Top Management and Organizational values**

1. Does the ideology/strategy/ vision of the company encompass ethical values and moral standards?
2. Does the company put explicit emphasis on moral and ethical values?
3. Does the top management possess a sense of pleasure and peace in maintaining organizational values?
4. Does the company recognize and reward the employees exhibiting excellence in promoting organizational values and standards?
5. Does the company recognize and reward the employees exhibiting excellence in promoting organizational values and standards?
6. Are the whistle blowers shielding the core values of the company provided with a security cover by the top management?
7. Does the company promote the culture, which is conducive for the maintenance of ethical and moral values?
8. Does the company have well mediated and clearly chalked out HR policy which promotes the creation of values and moral standards?
9. Does the company promote the participation of stakeholders in the decision making related to upholding the ethical values and moral standards?

**Corporate Governance and Organizational Values**

1. Does the company make efforts to ensure good governance?
2. Does the company maintain transparency in its operations?
3. Does the company comply with governmental rules and regulations?
4. Does the company follow legal norms?
5. Does the company meet the tax liabilities and other revenue obligations gracefully?
6. Does the company comply with the instructions and norms of SEBI and other regulatory bodies?
7. Does the company get its accounts audited through a competent and authorized authority?
8. Does the company keep all its stakeholders duly informed?
9. Does the company regard CSR as an ideology or philosophy?
10. Does the company put aside a specific percentage of its profits in name of community development/ CSR?
11. Does the company encourage its employees to volunteer for being instrumental in carrying out community development activities?

**Employee Management and organizational values**

Does the company HR policy warrant for sound workplace in terms of the following:

Does the company resort to communicate its employee related policies/ privileges to the employees at a regular basis?

Does the company resort to feedback and follow up mechanism as employee satisfaction surveys to measure the employee happiness quotient?

Does the company put forth its efforts to make the workplace pollution free, environment friendly by tree plantation, soil and water conservation and so on?

Does the company conduct training programs on protecting and promoting organizational values and standards at regular basis?

Does the company possess a well-drafted HR policy, which puts adequate emphasis on human development?

Does the top management get involved in putting HR policy to practice?

Does the company have an effective Reward and punishment system?

Does the company possess a sound Exit Policy?

Does the company believe in Open Door Policy?

Does the company take deep interest in implementing employee welfare schemes and measuring their impact on the well-being of the employees?

Does company extend post retirement support to the employees?

Does the company report its labour welfare activities?

### **Conclusion /Epilogue**

Organizations that take the business ethics casually have trouble in doing business. A little lamp has trouble in doing business. A little lamp in a dark night spreads its light far off, likewise an organization sticking to moral values and ethical standards can establish its name and fame and prove the cause of its existence in this world full of foul plays. Good Performers always look for joining those organizations that are concerned with ethics and values. Organizational core values can one of the strongest motivators to employees to be glued to an organization. It can be difficult for us to persuade each and every one to be ethical and honest but we can ourselves be exemplary for others by being ethically and morally sound.

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