

# SPREAD OF VALUES

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In this unit we try to discover the real meaning of value to people and organisations. The value/s are spread over a wide range. It has a wide “Spread”. The level would vary for the same person/organisation depending on the circumstances and the type of value. We try to project the spread of values in statistical terms. The value spread would change from person to person within the same group, or family to family. It would also change within an organisation or a group of organisations based on the leadership, and the vision of the organisation.

Values would change with time and circumstances. When we look at the three dimensional Value Matrix, we can perceive the contraction or expansion of good/bad values, based on what happens in the other dimensions of value. The value spread of a business organisation can be depicted in the form of a ball placed within the value matrix. The movement of this value sphere in the positive direction in the three dimensions would indicate the maturity of the organisation in value terms. Finally we discuss what is a good value organisation, as also the concept of value trap.

## Meaning of Value Spread

Value can be measured in the physical, psychological and socio- ethical dimensions. However, no value has a fixed quantum in any

of these dimensions within the same individual or organisation. A notorious criminal becomes a sadhu or a saint in a temple or place of worship. The value changes from time to time and the range of values over a period of time can be called the Value Spread in time and based on conditions within an individual or an organisation. Values change from person to person and from one level of employee to another. This can be statistically represented in the form of value-spread curve. It will be noticed that within a given population of a group or type, value tends to converge around the average as the value of the group for a large number of people or organisations.

As we move away from the average or what one may call the central value of the group, there will be a smaller and smaller number of adherents to lower or higher values. This is applicable to both superior and inferior values. A very small number of people will have very low value at the fringe or impractically high values at the other end of the value spectrum.

## Value Spread in a Social Group

There are all kinds of social groups in society. Doctors, Engineers, Accountants - they all form groups within the bracket of “Professionals”. Ex-servicemen, Alumni associations, Fan clubs etc. form another kind. Interest groups, non-governmental organisations, sports groups are various other kinds. Religious groups or people

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belonging to a particular religion also fall in this category. Each social group will have different kinds of people men and women, teenagers, middle aged and old, educated and uneducated, rich and poor, powerful and not so powerful, independent and totally dependent, etc.

There will be strong value systems applicable within each group. It goes without saying that values vary from person to person within each group. When viewed from the broad perspective of the whole society, the spread would be very wide. A poor man may have high values and a richer man may have poorer values. A rich man is expected to have good ethical values as he has to face less risks and survival is not an issue for him. Often this is not the case as the approaches, which brought him riches, may not be ethical and the mental and habitual compulsions continue. Often he has no ethics when it comes to money.

Value systems and their levels are generally imbibed by people from parents, elders, teachers and peers. Peer pressure has a great impact on the values of an individual. Many values are also inborn. Homogenous social group's values can vary depending upon the genetic disposition of the person. Value and genetics are possibly interlinked. It has been suspected that chromosome defect can lead to criminal behaviour in people.

### **Value Spread in Organisations**

Organisations have people attached to various functions - production, quality, finance, materials, research and development, marketing and sales etc. Also in an organisation there are different levels like blue collared and white collared employees; workmen, staff,

middle level managers and senior management. Value changes from group to group. Extreme demands and pressure to perform often affects a person's commitment to ethics. His ethical benchmark becomes lower, every time he succumbs to these demands. Over time the whole organisation's ethical behaviour is affected.

The value of a marketing man is often permissive. "To hell with ethics. Any action that brings an order is permitted" - is what he or his boss would say. In order to sell the product he may be resorting to behaviour, which may not be considered ethical in normal sense, and employ underhand dealings. He may leave no avenue untried in order to defeat the competitors. He is considered a competent or an incompetent manager, based on his success in the field rather than based on his ethical disposition. He may employ all kinds of means to pry out the secrets of competitors, bluff about the capability and non-existent quality of this product. If the customer is naive and can be easily cheated, he may do it without any qualms. But if the customer is strong and demanding, the same marketing professional will go to any length to satisfy him. His vision of ethics is rather blurred. One hears of salesmen and women in companies in advanced countries offering all kinds of services to please the customers' representatives and decision makers.

A Materials Department employee's value system is derived as much from his environment, as from his personal convictions. Suppliers may bluff their way out of easily susceptible employees. Even good employees with strong value systems could be lured away by constant exposure to shady dealings. Peer pressure has

*Value and ethical behavior are not a fixed single point phenomena. Their level and quantum are variable and spread over depending upon the context, nature and demand of a situation.*

its own impact. If a conscious professional does not fall in line, he may be rejected by the system or he may himself quit out of disgust. Rules and regulations, duly backed up by strong enforcement will go a long way in streamlining group ethical behaviour.

An auditor sees every small slip or deviation as a serious issue possibly with intent. He is not exposed to heavy demands on performance or to external negative influences. Generally his ethical level is high.

Ethical conflicts between a production man and a quality man are very common in organisations. The production man is under constant pressure to meet the budget. For the production man, good ethics is to maximise production, meeting his commitment to the organisation. For the quality man good ethics is to have the best quality, meeting the organisation's commitment to the customer. The production man has to maintain production volumes under all conditions irrespective of performance of other factors, functions, groups or organisations. He is faced with a large number of forces and influences, which prevent him from making good quality products as per budgetary demand. The organisation has not found ways to deflate such forces. Under these circumstances there is a constant tendency on his part to deviate from quality norms, the same quality norms which the company has committed to maintain towards their clients. He is in a quandary. Since the power of superior authorities and internal management pressure to perform is higher than the power of the customer or cost of poor quality to immediately control the behaviour of the production department, we often see them ignoring quality. On the other hand, the quality mans' commitment is only towards quality of his performance which would be considered very poor if he doesn't

monitor and ensure that bad quality is weeded out. He has no compulsions similar to what the production man has. Here arises a major conflict in the organisation. A good organisation solves the ethical problem by ensuring that the forces affecting production volumes and quality are corrected and high volume production can take place. Once such a system is established it becomes easier for the organisation to measure up to the demand of the customer towards the ethics of meeting commitments. Organisations must focus on their responsibility to measure up to their own commitments to customers by focusing on this area, rather than allowing internal conflicts diluting the ethical framework and posture of the organisation.

Similar variations in value dispositions can be seen as we move from function to function in an organisation or level to level. Getting the pulse of the value system variation would be a great experience. One must highlight here that much of the conflict in an organisation can be traced to individual value perceptions. Needless to say, the aim of any organisational system should be to minimize the value spread within the organisation and bring them around to operate within a common value basket in any area or sphere. It is also the responsibility of the top management of the organisation to move or push these values up the ladder of better values.

### **Value Spread over Time**

Man's values change as he grows from a child into manhood and slowly ages and matures. A child is in the learning phase. A child might tend to cheat without malice. Many parents and relations get disturbed when a child does what is not ethical in the adult world. A child is focussed on itself and its own needs. The jealousy of a child, its sibling rivalry, and its demanding tantrums are, however, a passing phase. There is no need to get concerned unless

this continues long after the child has grown up. As the child learns good values, it learns to get over these tendencies. There is however, a need to ensure that extremely poor and wrong values are not picked up by the child and imagined to be fine or its right. Some children get impressed with very violent behaviour, murder etc. that are shown on the televisions and cinema halls and can start thinking it is normal, especially if the atmosphere at home or in his close circles is not conducive. It is absolutely essential that children do not get exposed to violence and highly unethical behaviour of others when their minds are so mouldable. There is a need to carefully monitor the child's mental state and take corrective actions if there is likelihood of any dangerous behaviour. Because of absence of such monitoring and corrective actions, there are many cases of murders and violent behaviour from children.

A teenager in early manhood is generally highly value oriented. A teenager has high ethical and moral values. He/ she gets hooked very fast to ideals and values, whether they are right or wrong and is inflexible. His or her beliefs are very strong and does not accept anything different easily. This is the age group that is targeted by terrorist and other esoteric organisations to promote their goals and programmes.

As life teaches him the ups and downs, over time his sensitivity to values goes down and he becomes more and more "practical". Wisdom dawns on him to accept what was once abhorrent, just because he has to survive and prosper in the big, bad world.

Towards the later part of his life, generally man returns to values like a seesaw. He becomes more flexible and tolerant. Life is a stern teacher. Man's struggles and sufferings often decide his value disposition. Women

are generally more god-fearing, but less principle-oriented than men. They often turn out to be ruthless and unforgiving fighters. Men happen to be generally more tolerant.

The change with time is more pronounced among the poor classes. They may have a high value, but may be forced by circumstances to break the value system. On the contrary the rich having more stable lives may have stable values.

Organisations also change their values with time. In times of plenty, better will be the value systems and vice versa. As the budget year ends and targets must be achieved, adherence to the quality and other value systems goes down and ethics becomes seasonal. Organisation values also mature with time. Many an organisation struggling for survival in its infancy cares too little for ethics. As it becomes stronger and accumulates wealth, it becomes more caring and more amenable to moral principles.

### **Value Spread Over Three Dimensional Value Matrix**

The spread of values in business, as in society, generally takes on a shape, if statistically plotted. This curve of distribution is statistically called the normal distribution curve. The vertical axis indicates the number of people operating at a given level of value. The horizontal axis indicates the level of the value. The area under the curve is the total population. Majority of the people tend to follow a given level of values around the average. A small minority follows the extremes of values, either positive or negative.

These value spreads are to be seen in all the three dimensions of the Value Matrix: Physical, Psychological, as well as Ethical. If we look at the spread of these values over the physical and psychological dimensions only, it would



have a 360 degree spread among the various stakeholders of an organisation.

Note that the population having negative values (below zero) is much smaller than that with positive values.

- This is true except in a highly stressed or distorted social system or organisation. In business definitely the negative is much smaller than the positive.
- The number of businesses with very low (high negative) values (A or less than A) is negligible. At the physical level, they are absolute non-performers and would soon be extinct or pushed out, as the resources would get eroded. At the psychological level, the internal stresses would soon destroy them. At the ethical level, they are the enemies of society. They are easily tractable through law. Such businesses should be weeded out. This is also true of individuals.
- The group representing a high level of negative values, between A & B, is also small and without quick corrective action, they would slide down the value curve at the ethical level. They should be brought under control through social and political supervision. They are not that difficult to catch, unless they are hand in glove with those in power and authority.
- The group between B & C is also negative, but would escape by assigning the reasons for low value to other uncontrollable factors. In any case they are like festering wounds and cannot be allowed to exist in any value system. Such businesses are to be disciplined and performance enhanced. Their performance can be improved through proper systems, procedures and focussed work. At the ethical level, their

negativity is often not easily traceable. Mostly they are in collusion with other agencies, particularly the law enforcing machinery and powerful men in authority. They cannot be easily caught, as the legal system is often inadequate to handle their actions and behaviour.

- It will be noticed that the number of people or organisations having marginal positive values is higher than those with negative values (the group between C & D). A vast majority of population lies between D & E, that is, with a medium level of positive values in any plane. At the physical level, this average will vary widely from region to region or country to country. In a less developed country like India, this vast majority (with what we call as medium level of positive earnings, wealth and assets) may qualify as very poor in a developed country. At the same time, whatever their comparative standing in terms of the quantum of wealth or earnings, they will survive, grow and move forward, though not in the same sense as those in an advanced country. At the psychological level, the variation appears to be less between different regions of the world, that is, they apply equally well to all regions of the world, and all countries whether more or less developed. That is, the average person of the population, even with far less physical resources than his counterpart in the developed world, would be as psychologically satisfied as the one in a developed country. Further, at the

*Let us not fall into the trap of statistical averages in ethics. One cannot be ethical on an average - always highly ethical towards boss and family; and otherwise towards subordinates and outsiders!*

ethical level the majority of population have ethical value moderately high and positive as between C and D in all regions of the world. That is, ethics is not dependent on economic prosperity variations between nations or regions of the world; but within a group, certainly the average man's ethics is enhanced as the economic level goes up.

- However, the above comments cannot be taken as true under all circumstances, at all times and in all communities or kinds of groups.
- It must be remembered that the population between D & E is a homogeneous group. In many respects all of them follow a good value system but rarely fall into bad value systems. They are not 100% on the positive side. Whenever they fall or slip back, they can be corrected through efforts, hard work and dedication (at the physical level), through psychic counselling and health management (at the psychological level) and the pressure of law and the law enforcement agencies (at the ethical level).
- A small number of people and businesses have a high level of value driven by their intrinsic value systems represented by group between F & G. However it must be remembered that hardly any business is of a very high level of ethics, as well as other self-interest based values. They may have a strong and high level of value in other value dimensions, followed strictly within and outside the organisation. But they may not be relating to ethics.
- The extremely positive (higher than G) is rare and only obtained among individuals and not in businesses. Such individuals are also rare.

If we consider the physical and psychological

dimensions as the “Internal Satisfaction” plane and the Ethical and Moral dimension as the “External & Conscience Satisfaction” plane, the value spread again could be depicted in a circle with 360 degrees spread.

From Graphs-2 and 3, it may be seen that most organisations dwell partially on the positive and partially on the negative sides in all dimensions. However, the negativity in ethics is more than in the internal satisfiers like the Physical & Psychological values. Well performing businesses are very good on the physical and psychological sides, but still tend to be slightly or more negative in terms of ethics. However, what is needed is depicted in the third curve, where every value flowers in the positive direction.

## VALUE SPREAD OF A GOOD BUSINESS ORGANISATION

A good organisation is one whose value sphere (spread of values depicted approximately as a sphere) shall lie in the positive one eighth of the three dimensional Value Matrix, as indicated below. That is, the physical value indicator of its operations, the psychological parameters like attitudes, happiness, satisfaction, morale etc. are all positive, as also the socio-ethical parameters. Values in all dimensions are all positive. The value sphere in most of the companies can be placed in the three dimensional matrix of values such that the zero level of value of any of the dimensions is within the organisation's value sphere. That is, most companies have both positive and negative values in all the three dimensions. As an organisation matures, its value spread shifts towards the positive in all dimensions.

The endeavour of the organisation, as well as the society putting pressure on organisations shall be to push this sphere of values up in the

positive direction in all dimensions - that is, the company shall be healthy commercially and become healthier keeping all its stakeholders satisfied and happy, and at the socio ethical level the performance of the company is impeccable. In short, if the positive side of physical values is good, there should be growth and development. If the psychological values are good, there would be a very good working environment. People would be happy and contented and feel wanted. Frustration and stress levels would be low. And there would be high morale. If the socio-ethical values are positive, it is a Win-Win for all. There are no losers. There are people who are not badly treated or rejected. No action is creating an uneasy sense in their minds. All stakeholders feel happy to be associated with the organisation.

The best organisation is one which is equally positive in the three value dimensions -physical, psychological and socio ethical. Even when all the operations of a company are positive, if the physical aspects of values are far more pronounced than the psychological and social aspects, it is not an excellent organisation. One may think that all these are Utopian thoughts. However, it has been found that companies that are doing far better in terms of growth, profitability and innovation over a long period of sustained development, are also having success in terms of employee satisfaction and morale, as also a high level of satisfaction of other stakeholders like customers, suppliers, equity shareholders etc. And they are also good corporate citizens with good socio-ethical performance. However, as we have discussed before, we do come across a lot of companies that are highly successful in physical terms, but have poor performance in the psychological and socio-ethical front. However, they have failed over time and long-term prosperity would elude them, as they are

socially rejected. Though they are large in number, their sustainability is poorer than those that are good in all dimensions.

In the Arthasastra, the ancient Sanskrit treatise on “The science of wealth” written by Kautilya over 2,500 years ago, these three dimensions are referred to as Artha physical, Kama- the psychological and Dharma- the socio- ethical dimension. Kautilya's work itself was a collection of theories propounded by various authorities before Kautilya, spanning several thousand years like Manu, Parashara, and others. Even though it is not a part of our study, it is said in the Arthasastra and in several other treatises, on the science of values, that these three dimensions are linked in the human mind, constantly striving for satisfaction. The real achievement is when a business is able to liberate itself (obtain “moksha”) from the trappings of all value systems. We get trapped in values. The value system to which we subscribe dictates our actions. The real capability of a human being arises when he liberates his mind and actions out of this value trap. The question is, is it possible for businesses to liberate themselves out of their value traps. And if so, should they?

### **Good Value Organisation**

One can write a lot about an organisation having good values. Following are a few indicators (Most of them are already covered elsewhere in this book. Here we have only brought them together under one heading)

A good value organisation is one that is profitable fundamentally.

- One that does not earn profit through wrong means.
- One that gives psychological happiness to all stakeholders.

- One that has autonomy for its people.
- One that gives freedom to operate.
- One in which decision-making is shared and spread and not confined to a few.
- One where material well-being is not the only motivator, but psychological and ethical values like honesty, sincerity and transparency are also high.
- One that has healthy growth.
- One that has strong fundamentals.
- One that innovates and creates prosperity for itself, its customers and society.
- One where people are “Trusty, loyal, helpful, brotherly, courteous, kind, obedient, thrifty, miling - Pure as the rustling wind”.
- One that adopts universal standards of ethics and morality and applies them to one and all.

### Value Traps

While values are very important and they drive businesses as well as societies in the right direction, they can get one into serious value trap - organisations as well as individuals, even communities and society itself. Most of the value trap in businesses arises because of too much of ambition and too much of competitive spirit beyond limits. One does not know where and when to stop. Results are the only drivers, not the processes and the means. We discuss a lot about these in the forthcoming chapters. However in this section let us discuss about genuine good values and principles becoming traps.

### Religion

To be religious is a good value but blindly

following one religion and finding fault with other religions is a value trap.

### Education

Education often becomes a trap as one gets too much overwhelmed or carried away by what he knows and looks down upon all else, even if there is great truth in it, and even if it is of high value. Higher education creates a “frog in the well” syndrome often in the educated.

### Attitude

To follow principles “Always speak truth” is a good value but to such an extent that it hurts other people is a value trap.

### Family

Doing good things for your family is a good value, but to do anything which is not ethical to benefit them or make them happy is a value trap.

### Organisation

Unity is strength and excellent value in an organisation but standing united to support wrongdoing is value trap.

### Competition

To be a good competitor and to win in competition is good, but to destroy competition is not.

### Growth

Just like competition, the urge to grow can put organisations into a serious trap, where just the single value of growth pushes all other values into the background and even may destroy many of them.

