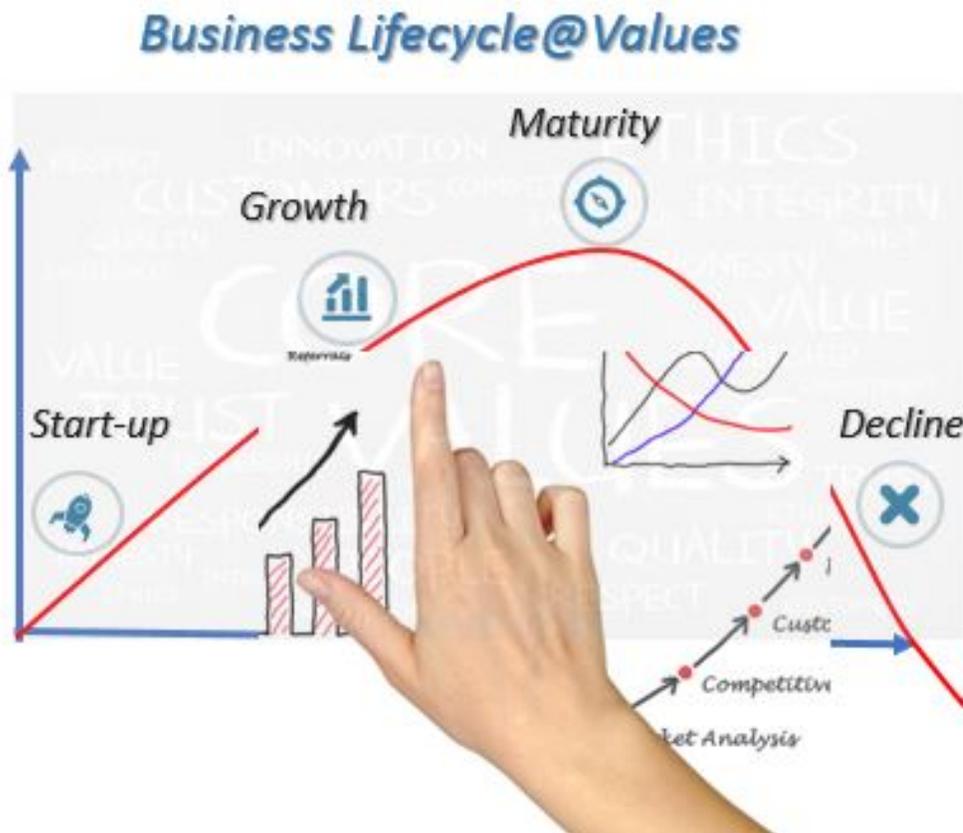November 2018

Business Lifecycle - employee values – corporate values

Who is sitting in the driver seat?

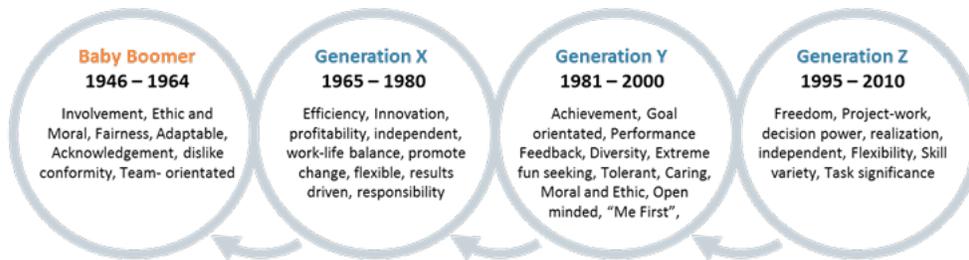**Dr. Doris Dull** Owner and founder of Convalori

Business Lifecycle and Corporate Values

During its existence, a company runs through certain distinctive stages. Each stage has its own characteristics in terms of different leadership styles, strategies, values, goals and objectives that require certain behaviour and attitudes from employees. To have the right HRM systems implemented in each stage would result in an effective organization. To

that end, there is an important role for the HR department to understand the difference needs to be fulfilled each phase.

The picture below shows different business life-cycle stages, including some examples of required organizational values. It also provides some examples of generational differences in value priorities.

Generational Differences in Value-Priorities

Baby Boomer 1946 – 1964	Generation X 1965 – 1980	Generation Y 1981 – 2000	Generation Z 1995 – 2010
Involvement, Ethic and Moral, Fairness, Adaptable, Acknowledgement, dislike conformity, Team- orientated	Efficiency, Innovation, profitability, independent, work-life balance, promote change, flexible, results driven, responsibility	Achievement, Goal orientated, Performance Feedback, Diversity, Extreme fun seeking, Tolerant, Caring, Moral and Ethic, Open minded, "Me First",	Freedom, Project-work, decision power, realization, independent, Flexibility, Skill variety, Task significance

Business Life-Cycle and required Organizational Values

Start-up	Growth	Maturity	Decline
• Empowerment	• Decisions	• Profitability	• Accoutability
• Innovation	• Collaboration	• Results	• Innovation
• Creativity	• Responsibility	• Change	• Customer Focus
• Caring	• Risk Taking	• Business Acumen	• Trust
• Skill variety	• Adaptability	• Effectiveness	• Integrity
	• Open minded	• Directive leadership	• Communication
	• Creativity		• Goal setting
	• Innovation		

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Phase 1) Start-up. The journey begins.

The most important objective at this stage would be to survive, and attracting customer, recruiting the best people, and securing investments would all be part of this process. Entrepreneurship is required. Costs are less important. Goals and objectives, job descriptions, along with policies and regulations do not exist. Everybody knows what to do without written rules and regulations. People would be working with enthusiasm.

Phase 2) Growth. Should the survival phase be successfully completed, companies will then enter into another important stage of the business life cycle. The phase of Growth. This would be where customer demands are increasing, and production is running. Furthermore, strategic marketing, and product segmentation becomes an important part used for the company's differentiation from the competitor. In most cases, the Vision, Mission, Goals and Objectives are established in this stage, to

provide guidance for the employees. The atmosphere and organizational behaviour of the company would still be positive. HR would play an important role at this stage. They are required to find appropriate systems, policies and processes in order to keep people engaged and committed.

Phase 3) Maturity. This is often the stage at which the organization becomes less dynamic. Products, quality, utilization, and continuous improvement activities would generally have been set and well established. Profit margins are good, with profitability still in line with the budget. Investments would be needed to develop new products or technologies to avoid sales decline. Cost control and cost reduction becomes a priority. Staffing also begins to become an item on the watchlist. In addition, attrition rates are increasing. Employee performance is on an average level. Leadership becomes more directive.

Phase 4) Declining - Exit or New Birth - At this stage, the management can either stop sales decline by establishing a new business strategy or, in worse cases, face a situational need to manage the wind-down towards the termination of its operation. This would assume the positive -new birth-. Even then, the organization would be in recovery mode, where employee redundancies and lay-offs are not avoidable. People and customer focus would be key in this phase. Communication and trust building becomes an integral part of the rescue program, along with change management and transformational strategy planning.

Business Reality and Generational Differences in Values

One is for sure; regardless of which stage of the business life cycle an organization is in, generational differences in value priorities do exist within each company and are going to increase in the next years. It is already well-known baby boomers gradually disappear from the workplace, which are then replaced by the X'ers, the X'ers, by the Y and so on. As such, *a new value landscape emerges* in the organizations, not only due to demographic changes, but also due to borderless recruiting, migration, globalization, different ethnical groups, gender equalization, and most important *by the significant change in new technology.*

The picture above underlines how value priorities of different generation are changing over time. For instance, what is important for a generation currently will become important for the next generation in the future. Of course, these matters are not black and white or set in stone.

I am certain, but have yet to empirically confirm, that each generation carries some core values with them, and these are values that they could hold until the end of their life. Employees' core values, as per my definition, are values built through the socializations process, historical events of a society, as well as the political and economic mood of a country where they grew up as youths. Thus, it is obvious that the employee's value priorities and the organization's value priorities never overlap in every case.

Value Clash

To some extent, value discrepancies are not bad in every case. Diverse points of view on the resolution of issues faced by the organization can be a substantial advantage.

However, rather than being ignored, seriously significant value discrepancies can be a source of challenge for managers with regards to the employees' engagement and commitment. This is particularly so in todays' business reality, where the "Me first" Generation is highly interested in getting their values satisfied first in the organization. As this generation is used to get everything immediately, they will just jump ship if they do not get what they expect.

You may have in future a generation in your operations that never learnt to build a real long-lasting relationship, collaboration, analytic thinking because everything is virtual, could be Googled, Twittered, shared, and liked. The number of likes and followers gives importance. They never experienced how it feels to receive personal feedback on a face-to-face basis.

What is your value landscape and how will it evolve over time?

- Written by Dr. Doris Dull -

Source:

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