

# Values Perspective for a Sustainable Business Model Design.

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## Abstract :

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While these views might reflect differences in research focus, they emphasize aspects of the ecosystem that overlap in the real world. It is broadly agreed that ecosystems require providers of complementary innovations, products, or services, who might belong to different industries and need not be bound by contractual arrangements—but have significant interdependence nonetheless. In this sense, ecosystems do not fit into the classical firm-supplier relationship, Porter's (1980) value system, or a firm's strategic networks; neither are they integrated hierarchies. (Jacobides et al., 2018)

## Introduction :

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Organisations are complex entities that operate based on principles that guide the decision-making process. These principles are based on various conditions known as "culture", referring to the representations, beliefs and convictions shared by the members of the organisation lead to certain behaviours and discourage others (Schein, 2010). Values, as a part of it, guide the behaviour of individuals and groups, and determine goals and actions to achieve specific goals and optimal outcomes. People move toward that they are attracted to, while withdrawing from others that would prevent them from realising their values. (Sullivan et al., 2001). Organisations also judge their corporate behaviour and that of individuals within the organisation against their values. The question then is whether we can be sustainable with usual strategic management tools that hold different values than their employees.

Given that employees have also individual values, the pursuit of an alignment between personal values and action to accomplish sustainable collaboration within companies becomes an imperative (Brown & Kasser, 2005). The search for value alignment within organizations is

then crucial for fostering employee engagement and organizational effectiveness (Branson, 2008). By ensuring that personal values align with those upheld by the organization, employees are more likely to experience job satisfaction and commitment however, if individual's values are inconsistent with the company's values, there is a potential clash between individual and organisational behaviour (Miller & Yu, 2003).

The discordance can rise, in this case, is a cognitive dissonance that refers to the psychological discomfort experienced by an individual who holds contradictory beliefs or values (Festinger, 1957). Ethical dissonance can happen when individuals are confronted with discrepancies between their personal ethics or moral values and those imposed by their workplace environment (Cherré et al., 2014). In both cases, the individual may experience discomfort due to the inconsistency between their personal values and the values promoted by the organization, leading to feelings of guilt and moral distress.

Strategic management tools (SMT) are related to organisational values in shaping business strategy because they are intricately intertwined with organizational values, serving as manifestations of overarching beliefs that act as normative principles (Boudon & Bourricaud, 1986 ; Williams, 2002). SMT provide a framework for decision-making and behaviour organisation guiding employees' actions and attitudes around a shared objective. They are intricated in the organisational culture and ensure alignment between the goal and the inspiration.

The aim of the study is to focus on the link between the values of SMT and the individual values inside an organisation. The conceptual framework of Sagiv & Schwartz (2022) gives a basis for identify possible values to deal with and qualify the socio-personal spectrum of SMT principles. The second is to make a link between SMT and organisational values and how employees are impacted by this dynamic. By reintegrating values into decision-making processes, there is significant potential to dismantle barriers and enhance the practical and moral relevance of management practices in order to design sustainable business models (SBM). Our third is to outline an agenda for future research and identify some ways in which values can be reintegrated into strategic sustainable tool design.

## Literature review

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### **1- The Role of Strategic Management Tools (SMT) in Organizational Values**

Organisational culture understands the representations, beliefs, and convictions shared by the members of the organisation that lead to certain behaviours and discourage others (Schein, 2010). These representations act as a system of evidence, which is often tacit, but which guides the behaviour of the members of the organisation by indicating the way in which the work should be carried out and the situations dealt with. They can be positive (“it exists, it does not exist”) or normative (“you must, you must not”) (Boudon & Bourricaud, 1986). In this way, values determine goals and actions and dictate what time and money are spent on. People move toward those goals or actions that they are attracted to, while withdrawing from others that would prevent them from realising their values (Sullivan et al., 2001). Organisations also judge their corporate behaviour and that of individuals within the organisation against their values. Values are the invisible threads of culture (Henderson and Thompson, 2003).

### **2- The Need for Employees to Identify with Organizational Values**

The role of organizational values in shaping employees’ identification with their organization has been a focal point of research. Collins and Porras (1998) found that highly successful companies were generally more ideologically driven and less purely profit-driven than other less successful companies. Some evidences show that organizations are not widely committed to examining and changing their internal cultural dimensions that form their ideology (Pollard, 1996). This is concerning, as the quality of a person’s work for the organization is strongly influenced by the organization’s ideology, as experienced by its culture (Branson, 2008).

People want to work for a cause, not just for a living (Pollard, 1996). The quality of a person’s work for the organisation is strongly influenced by the organisation’s ideology, as experienced by its culture, yet insufficient research and organisational practice is devoted to this issue (Branson, 2008). Also, people who now work in organisations are experiencing an increased desire for meaningfulness and fulfilment at work (Kinjerski and Skrypnek, 2006).

### **3- The Fit between Organizational and Individual Values**

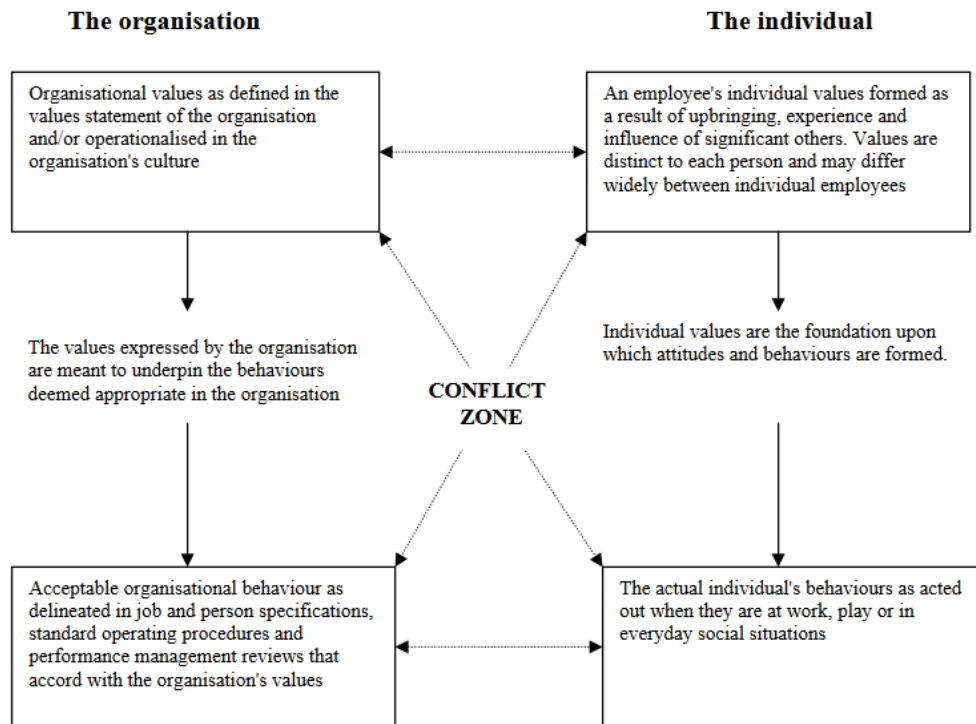
When there is a fit between organizational and individual values, we see a committed workforce (Chatman, 1991 ; O'Reilly et al, 1987 ; Sullivan et al., 2001) which leads to better work outcomes (Kolodinsky et al., 2007 ; Liedtka, 1989 ; Posner & Schmidt, 1993). However, when there is no fit, it results in anxious and incompetent employees, leading to poorer performance (Chatman, 1991). This mismatch between individual and organisational values can also lead to value tensions in relation to company missions.

The main theory of values is built around a top-down approach that tends to be more integrative than other theories (Gouveia, 2019 ; Gouveia et al., 2014) because two functions are embedded inside. One is to express needs for survival as an engine of action; one is to guide actions towards personal and social goals. But if these values don't succeed to reach the goal nor the need they aim to, individuals feel a conflict.

### **4. Conflict between Employees and Use of SMT**

When there is a conflict between these values, it results in anxious and incompetent employees, leading to poorer performance (Chatman, 1991). There can also be a difference between the values an individual or organisation espouses and the values that are in evidence — especially, but not only, when the organisation is faced with a crucial issue. When an organisation decides to become values led, employees notice disparities between the espoused values and what management actually does. It is crucial that the management be seen to be living the values and actively working on dealing with shortfalls in their own behaviour.

Despite the recognition that values differentiate organizations (Rokeach 1979) and that strategic plans inconsistent with values create chaos (Parsons 1997), the actual alignment of organizational values with the strategic planning process appears inconsistent. This is partially explained by the role of leaders in articulating the organizational value system. Research show that employees whose values align with their organization's values tend to be more productive and satisfied (Kouzes, 2003). However, the discrepancies between an individual's values and those embraced by the organization can lead to conflicts. When an individual's values are inconsistent with the organization's, the potential for serious conflict arises (Miller & Yu, 2003).



----- These lines indicate potential areas for conflict

(Miller & Yu, 2003)

## Methodology

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We conduct a comparative analysis of values implied in the most used SMT with the Sagiv & Schwartz framework (2022). We identify 3 SMT from Berisha Qehaja et al. (2017) that are predominant in the developed countries (Porter's Five Forces, SWOT and Benchmarking). We decompose and associate the terminology of each tool categories in order to determinate and qualify the value trend (personal focus or social focus; self-protection or growth). The aim is to be able to make a link between organisational values embodied in the SMT by transposing (or adapting) strategic conceptual framework to individual values conceptual framework.

By comparison, we take a sustainable SMT to see if there is a difference between the values alignment between strategic planning in regard of the values implied. The sustainable tool we chose is the Triple Layer Business Model Canvas (TLBMC) introduced by Joyce & Paquin (2016) in order to determine the alignment or a discordance with individual sustainable values.

### Description of these tools

Porter's Five Forces Analysis evaluates the attractiveness and profitability of an industry by examining five key factors: the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitute products or services, and the intensity of competitive rivalry. The aim of this tool is for organisations to identify strategic opportunities, anticipate competitive threats, and make informed decisions to enhance their competitive position within the industry (Porter, 1980). It provides a structured framework for understanding the underlying dynamics that shape industry competition.

The SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis tool is a strategic management technique developed by Robert Franklin Stewart and his team at the Stanford Research Institute in the 1960s. It provides a structured framework for assessing internal strengths and weaknesses and external opportunities and threats facing an organization. It enables organizations to identify key factors influencing their competitiveness and formulate strategies in a simple way for decision-makers (Puyt et al., 2023).

Benchmarking involves a continuous process of organizational adaptation by analysing other organisations that are recognised as leaders or high performers. It aims to identify and apply significantly better practices for achieving superior performance and competitive advantage. The analysis process involves four main steps: identifying the benchmarking partners,



that values promote “Self-enhancement” in the “Personal Focus” category and “Conservation” with the value of “Security”.

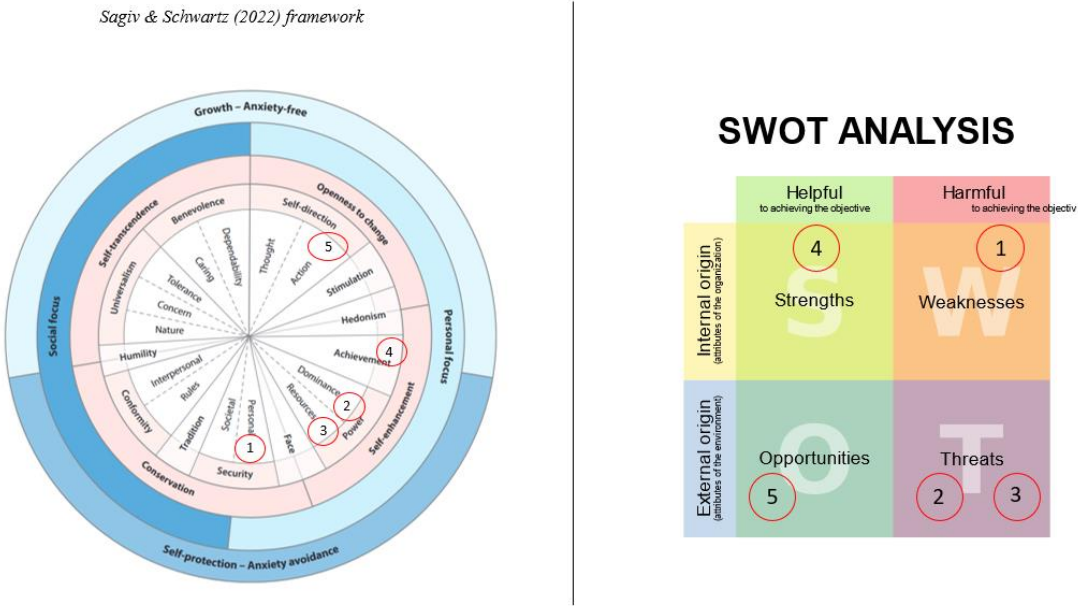
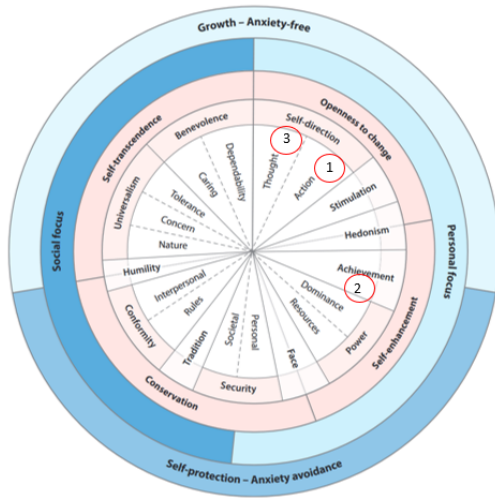


Figure 2: Values analysis of SWOT framework

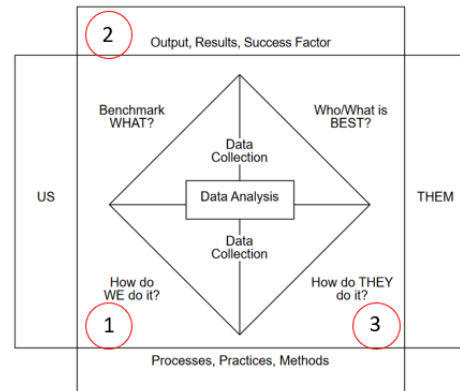
In [Figure 2], the SWOT categories revolve around four axes, namely “Strengths” (4), “Weaknesses” (1), “Opportunities” (5), and “Threats”. The analysis of the values associated with this tool includes: a ratio of “Personal Security” (1) associated with “Weaknesses” (1); values of “Resources Power” (3) and “Dominance Power” (2) in the “Threats” category (2) (3); a ratio of “Achievement” (4) vis-à-vis “Strengths” (4); and a value “Action” (5) in the “Self-direction” for “Opportunities” (5). The SWOT proposes a strategic model that focuses only on the “Personal” aspect on “Conservation”, “Self-Enhancement”, and “Openness to change”.



Sagiv & Schwartz (2022) framework



Robert C. Camp's (1989) framework

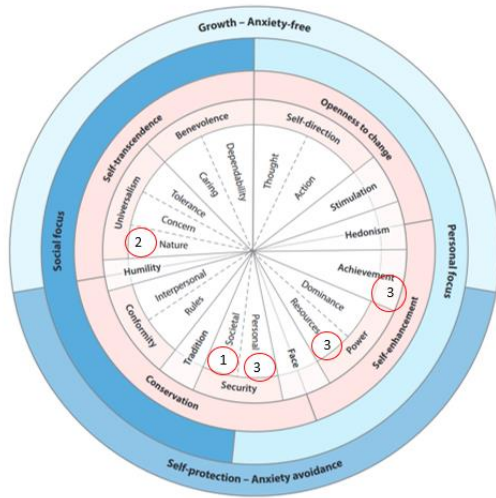


Source: Watson 1993

Figure 3: Values analysis of benchmarking framework

In [Figure 3], the Benchmarking tool is more delicate to analyze as it decomposes into two parts: that of the targeted company and that of the company carrying out the benchmarking. We might think that the part targeting the studied company assumes having “Social Focus” values, but this action being a means and not an end in itself, the intervening values remain personal. What we can compare comes from the question “how do we do it?” (1) corresponding to the value “Action” (1). In the same group, the question “how do they do it?” (3) corresponds to the value “Thought” (3), which characterizes a more general value of “Self-direction” without actually agreeing with “Openness to change”. Finally, the attention paid to “Output, Results, Success Factor” (2) corresponds to the value “Achievement” (2) in the “Self-Enhancement” category. We see that with the Benchmarking tool, a paradox arises because the analysis of the values of another company is carried out thanks to personal values while subsequently asking to replace the organizational values with “false” values.

Sagiv & Schwartz (2022) framework



Tripe Layer Business Model Canvas framework (Joyce & Paquin, 2016)

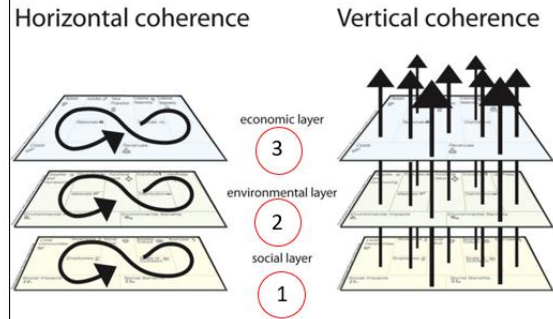


Figure 4: Values analysis of TLBMC framework

In [Figure 4], the triple-layered business model canvas decomposes into three strata concerning the economic, social, and environmental aspects. Through this framework, we can associate “Social Focus” values as evidenced by the “Social” (1) plan of the TLBMC, which corresponds to “Societal Security” (1). Similarly, for the “Environmental” (2) layer, which corresponds to “Nature” (2) in the “Universalism” field. Finally, the “Economic” (3) stratum corresponds to “Personal Security” (3), “Resources Power” (3), and “Achievement” (3). The TLBMC includes a range of values that concern not only the “Personal Focus” company but also society as a whole “Social Focus”. In a sustainable approach, this appears in line with the values necessary for organizational change in order to align individual values with the missions carried out by employees, particularly through the implementation of a commercial strategy.

## Discussion

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The comparative analysis of different SMT shows that most values revolve around the identity of companies. Given the current environmental and social concerns, that raise awareness of the limits of the economic system, it is not surprising to observe cognitive as well as ethical dissonances between what the employee values as an individual compared to what the company aims for in its business model. Some employees may indeed have the same values as the organization, but the field of values covered by the SMTs is limited compared to the set of values available in the Sagiv & Schwartz model. This approach to SMTs allows us to understand organizational culture as being company-centric since aspects of extra-organizational development do not appear in the most used SMTs.

SMTs inherently embody values, and their continuous usage helps cultivate these values within organizations. The majority of existing SMTs are still in use and taught (Gunn & Williams, 2007; Wright et al., 2013; Berisha Qehaja et al., 2017), limiting any managerial attempt to separate from the values of the industrial era. The real dissonance probably lies in the offer of a sustainable business model that uses strategic tools promoting contrary values, notably cut-throat competitiveness.

For instance, the Benchmarking tool is particularly detrimental from a strategic point of view as it assumes “copying” the values of another company to apply them without taking into account the difference in organizational culture (Liedtka, 1989; Posner & Schmidt, 1993; Sullivan et al., 2001). Theoretically, this process is counterproductive as it enforces values that not only do not belong to the company but even less so to the employees since strategic planning does not find its genesis in the individual values of decision-makers.

In a search for a change in the BM, it is necessary to start from personal values to first build SMTs and then adopt a SBM. This will avoid any misalignment as it will inform the innovative values of employees within the organizational culture.

## Conclusion

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The integration of personal values is not only essential but necessary in the making of sustainable Business Models. This approach allows strategies to disjoin optimal strategies from being profit-focused. Instead of coercive and conservative values, priority ought to be given to the participating parties as to reach social growth and fulfilment.

The current business culture at the organizational level is stuck in the industrial era and cannot align with the goals of sustainable development. Individuals within whom the issues of this century resonate will not find balance between what they do for work and their personal convictions. Eventually, the strain on these individuals will call for a conclusion. One of them that the employee might consider is to stray away from their work be it consciously or unconsciously since the confrontation of such dissociation is painful or at least uncomfortable. The opposition of one's personal values and well-being to the company's values gnaws at the perennial identity of the organization.

For employees to keep their spirits up and continue to be productive, there is need for a shift from the impersonal business-like idea of what is good to what each participating party accept as good in their own stance. A SBM would need to yield some leeway to the participating parties as to allow them to act freely and of their own accord such that it recognizes and trust their power to act. For this to happen, SBM should depart from the paternalist and suffocating model of the industrial era that some SMTs support.

But then, what of the company's identity and values? Since those values would be openly declared and brought forth, selection and attraction ensue between the employed individuals and the companies. If leeway is to be given to the growth of individuals so that it strengthens the compatibility of individual's and companies' values, natural connections will occur that are beneficial to the company's productivity.

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