

The Effect of Organizational Values on Organizational Effectiveness in XYZ Company in the Philippines: A Basis for A Proposed Intervention Program

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Abstract

Organizational values are established to have employees work in unison to achieve the company's common goals. It is one of the management strategies to achieve organizational success. Considering its importance, organizations need to understand the effect of organizational values on their performance. This study aims to assess the effect of organizational values (OV) on organizational effectiveness (OE) and to create an intervention program that helps drive employees to imbibe the values and improve the extent of their application in decision-making, behavior, and actions. The researcher employed quantitative research methods to collect primary data using the total elimination method from XYZ company in the Philippines, with 64 full-time employees from different departments in the head office, where 39 valid responses were obtained. Organizational values were further classified into business, relational, development, and contribution values. The hypotheses were tested using multiple linear regression and the results identified the effect of OV on the factors of OE. It was concluded that OV, as a whole, has a significant effect on OE. Thus, the more the employees apply all of the organizational values, the better their business performance will be. Furthermore, the action plan presented promotes and reinforces the application of the organization's core values.

Keywords: Organizational values; organizational effectiveness; relational values; developmental values; contribution values; business values

1. Introduction

Values are enduring ideals or standards that relate to desirable conduct or outcomes. However, they are influenced through attitudes, pursuits, and choices that are lasting and challenging to modify (Markgraf, 2021). The values and ethics to which an organization adheres are listed in value statements. They serve as the organization's ethical foundation. Similarly, value statements assist employees when confronted with a difficult or complex scenario. They help organizations figure out what is good and wrong. Members of the organization then operate in specific ways, guided by the values (Norman, 2019).

Organizational values affect every aspect of a firm – how it operates, decides, and how its employees and customers are treated. It affects how people influence each other, how they interact, and how individuals work together to achieve results. Organizational values are the hidden drivers of individual conduct, based on well-established principles that lead to decision-making (Swetha & Padmavathy, 2018). According to Tessema, Dhumal, Sauers, Tewolde, and Teckle (2019), value statements are pronouncements about how an

organization wants to be valued by its customers, suppliers, and internal community. Such value statements specify how employees will interact with one another. These points show that organizational values are undeniably used in much research.

Meanwhile, as mentioned by Suhaida (2012 cited by Lo, Mohamad, Ramayah, Abdullah, & Lim, 2017), the ability of an organization to access necessary resources and successfully implement its primary strategy for achieving its goals is referred to as organizational effectiveness. According to Zheng (2005 as cited by Lo, Mohamad, Ramayah, Abdullah, & Lim, 2017), the organization's objective is to attain the highest level of organizational effectiveness, manifested in the social, technological system, culture, structure, and strategies of the organization, which are the primary elements in achieving better effectiveness.

The community in this study is characterized by the purpose that brings people together who have a common interest or passion. It is classed under the industry sector of the economy, particularly the service industry. The chosen community, which is the head office of the company, provides management, consulting, and support services to all its subsidiaries or strategic business units (SBUs). The company's organizational values in the Philippines were assessed in the concept of organizational effectiveness. An intervention program was further created to increase compliance with the organizational values.

The company identified is XYZ Corporation, a proudly Filipino conglomerate company listed on the Philippine Stock Exchange (PSE) under the industrial sector. Its head office is in Makati City. The company seeks to make lives better and build the nation through successful-run and profitable businesses, including education, construction materials, housing, and hospitality. Its mission is to help build a nation through competitive and well-managed business enterprises that enable Filipinos to attain a better quality of life. A total of 67 employees, with 64 under regular status, are assigned to the head office to provide management, consulting, and support services to all its subsidiaries or strategic business units (SBUs). SBUs include Strategy/ Investor Relations, Finance and Controllershship, Treasury, Public Affairs, Human Resources, Information Technology, Group Corporate Assurance, Executive Office, Foundation, and T-O Operations. The organization has four core values significant in its rich history, heritage, and culture. It is expected that all decisions and actions by the company members, including its employees, officers, and directors, are consistent with the core values in the performance of their duties and responsibilities. These values are also aligned with the mission and vision of the entity.

The core values include integrity, patriotism, competence, and professionalism. Integrity is when employees are honest, ethical, and transparent in their actions. Even in adversity and uncertainty, they always attempt to do what is right. They do not accept any sort of fraud, including corruption, bribery, or abuse and follow through on their promises and take full responsibility for their decisions and actions. Patriotism displays their love for the Philippines through active participation in nation-building, respect for and obedience to its rules and regulations, a commitment to environmental protection, and an unwavering belief in Filipinos' skills, spirit, and world-class professionals.

Further, competence is driven when they are motivated to excel in their chosen sectors and always contribute value by carrying out their duties and functions efficiently, effectively, and to their best. Employees are always on the lookout for and seize opportunities to grow, improve, innovate, and eventually become better, more productive members of the organization and society. Professionalism is delivering the results expected by knowing and prioritizing the needs of the customers and stakeholders. They foster a healthy work

atmosphere by treating everyone with the utmost respect and welcoming diverse perspectives to develop better ideas, products, and services.

Similarly, studies are being conducted to investigate the challenges surrounding the application of organizational values. A study of 200 of the most significant Slovene enterprises by Musek Lešnik & Arzenšek (2008 cited by Dermol and Sirca, 2018) indicated that employees do not adopt key company identity components in many circumstances. The results revealed that in Slovene companies, company missions, and organizational values appear to be vague ideas that are largely employed for marketing purposes. They serve public relations reasons but rarely reach out to their more extensive audience. According to the data, many companies either do not comprehend the purpose of their mission, do not have defined organizational values, or have problems applying them to practice. Likewise, other organizations face the same challenges concerning employees in imbibing organizational values locally. According to the study by Importante and Roberto (2020), teachers in Antique Diocesan Schools appear to have inadequately internalized and barely imbibed Christian and work values, which compromises their dedication to the profession. Thus, a study was initiated to assess workplace values and the degree of organizational commitment of primary education teachers in Antique Diocesan Catholic Schools (ADCS) for 2019-2020.

Believing that the application of the organizational values will contribute to the attainment of the company's vision and mission, the topic was preferred to help the company encourage their employees through the intervention program to imbibe the values at work, especially in decision-making, behavior, and actions. Eventually, it will contribute to the overall business performance.

Categorizing and recognizing the connection between organizational values and effectiveness can aid in its diagnosis and comprehension. Through this assessment, the value categories that contribute to the effectiveness of the company will be identified. Looking into the perception of employees on the organizational values will determine the attributed values of the organization that influence the organizational behavior and, hence, performance. Identification and regular monitoring of attributed values will improve comprehension and having a thorough understanding will serve as a basis for several critical organizational decisions.

Likewise, the values that contribute most to organizational effectiveness will help the management and the organization to pay attention and find ways to enhance the application of these values, which can drive the business towards progress. The company's core values can serve as a model for other businesses that want to enhance their operations and operate under the notion of business effectiveness by preserving organizational values and satisfying all stakeholders.

Similarly, the project will contribute to tackling global concerns by providing respectable jobs and economic growth to the community or society. Considering that organizational values play an essential role in an organization and the wave of change in the industry's priorities, implementing a value-based system contributes to society by providing decent employment where the workforce can realize their values in practice. Likewise, enhanced organizational values promote business success and economic growth for the community.

The research will be delivered to the company's HR manager for review and evaluation. The study's findings and the proposed intervention initiatives that will result from the assessment will be highlighted in the presentation.

The project will produce a new process of assessing the effectiveness of organizational values based on the four categories of values. According to the assessment result, an intervention program will be created to improve the application of the organizational values, which will, in turn, contribute to the achievement of the entity's vision and mission and its overall performance.

Organizational values are the focus of much research in the current business world. Researchers tried to link them to different phenomena such as connection in the entity's mission (Malbašić, Rey, & Posarić, 2018), congruence with personal values (Vveinhardt and Gulbovaite, 2017; Swetha and Padmavathy, 2018; Shockness, 2021), corporate sustainability (Yang and Jang, 2020; Ketprapakorn & Kantabutra, 2019), organizational commitment (Malbašić, Mas-Machuca, & Marimon, 2018), organizational success (Titov and Umarova, 2017), performance management system (Kumar, 2019), and organizational effectiveness (Malbašić., 2020) are evaluated. According to Titov and Umarova (2017), even though the concept of values is trendy, according to studies and ideas, values associated with organizational success are a field that has yet to be discovered. Therefore, they researched the impact of values on the success of an organization. Based on their findings, transparent and shared organizational values influence employee satisfaction, innovation and change management, achievement of organizational goals, and financial profitability, all of which substantially impact an organization's performance and success rates, either directly or indirectly.

Furthermore, according to Metz, Ilieș, and Nistor (2020), employees' belief in the company's fundamental values guides them in making decisions. It strengthens a corporate culture geared toward sustainability, which generates a stronger sense of belonging to the organization. Companies may appear united when dealing with various difficulties if they subscribe to a standard set of values (Tessema, Dhumal, Sauers, Tewolde, and Teckle, 2019). Similarly, since beliefs influence decisions and behavioral choices, they clearly impact issues or conflicts. The likelihood of disagreements can be reduced if shared values are determined ahead of time (Titov, Virovere, and Kuimet, 2018).

On the other hand, failure to practice the organizational values was also observed in considerable instances. Over the last several years, there have been numerous instances in the news about businesses that have been exposed to organizational misconduct. The narrative almost usually attributed the acts to cultures that permitted, if not promoted, the behaviors. Companies suffered a ruined reputation as well as harm to employees and, in some circumstances, society as a whole (Perkins, 2019).

Additionally, as mentioned by Serrat (2017), when management or employees fail to live up to the messages of corporate values, it can lead to dissatisfaction or skepticism among clients, spectators, and partners, not to mention among employees. A classic example given is Enron Corporation which has been synonymous with intentional corporate wrongdoing. Having publicized its core values of integrity, respect, excellence, and communication, it was discovered that the company was supported by entrenched, systematic, and cleverly conceived accounting processes in 2001.

Given the effect of organizational values on organizational effectiveness, it is reasonable that researchers would be interested in learning more about this subject. As confirmed by Malbašić, Rey & Potočan (2015), "organizations need values about essentially different categories if they want to accomplish several, in some cases even contradictory goals of their business." The Mission-based model that Malbašić, Rey & Potočan developed (2015) on organizational values is used in understanding balanced values. The said model is not ignoring key-value theories and is appropriate in contemporary business practice. According to the model, all

organizational values could be classified into one of the main four characteristic groups of values such as the following:

a) Relational values—promote quality in interpersonal relations primarily among employees.

This category includes characteristics like collaboration, respect for others, mutual regard, trust, and tolerance, necessary for positive interpersonal relationships. Promoting relational values indicates that an organization's environmental orientation is primarily social rather than self-oriented and that an organization's attitude toward change is centered on stability rather than advancement.

b) Development values—centered on differentiating and continuous development of the company, with innovation, initiative, creativity, learning, boldness, and continuous improvement serving as examples. Development values are generally self-focused rather than socially oriented, and they place a high emphasis on growth rather than stability.

c) Contribution values—aimed at doing more for the stakeholders than strictly required by the business relationship.

Customer satisfaction, social responsibility, sustainability, environmental preservation, corporate citizenship, and, above all, honesty is some of the principles focused on the "weaker" stakeholders in our environment. When it comes to organizational environmental orientation, contribution values are more socially oriented than self-focused, and they lean more toward advancement than stability when considering organizational changes.

d) Business values—refer to the organization's business and profit-making activity. Perseverance, efficiency, professionalism, achievement of results, and cost-consciousness are common business values, as are loyalty and dedication as representatives of values aimed at creating an emotional bond between employees and the corporation. When it comes to organizational environmental orientation, business values are more self-centered than socially oriented. They tend to lean far more toward stability than development when viewed through the lens of organizational transformation.

Consequently, organizational performance is regarded as the most crucial challenge confronting all businesses. To improve performance, businesses are trying to define which elements should affect their organization's performance (Pakurár, Haddad, Popp, Khan & Oláh, 2019). Tedla (2016) discovered that the core corporate values approach is critical to its performance. Customer satisfaction, employee empowerment, teamwork, company identity, integrity, quality, and excellence were fundamental corporate values. The respondents of Tedla's study selected core corporate values as a critical technique for maintaining an effective organizational culture and improving corporate performance.

According to Wiener (1988 cited by Malbašić, Marimon & Mas-Machuca, 2016), because they influence organizational policies, goals, and tactics, organizational values are among the most important factors affecting organizational effectiveness. As mentioned in the same journal of Malbašić, Marimon & Mas-Machuca (2016), this is exemplified by the McKinsey 7-S Framework (Peters & Waterman, 1982), which illustrates a high level of dependency and interaction among the major organizational factors that must be managed and aligned to achieve organizational effectiveness. The most critical area in this concept goes to organizational values (formerly titled "shared values"), which connect other "hard" and "soft" organizational variables, such as structure, strategy, skills, staff, style, and systems, impacting organizational effectiveness.

Parallel to Amah & Ahiauzu (2014), the Nigerian banking industries' core values and beliefs that align with the management systems' actual practices and policies could explain why their common ideals are linked to their effectiveness. The management and control of governing expanding banks appear to emerge from a

shared vision and shared values instead of an administrative oversight system. The study further discovered that a high level of shared values and integration in support of performance norms was a good predictor of a high level of effectiveness; yet significant integration around a set of norms that did not contribute to performance resulted in lower-than-average performance.

According to Fassel (2002 cited by Malbašić, 2020), adherence to shared organizational values is a key component in determining organizational effectiveness, if not the most significant factor. Consistent with her findings, “organizational values, at all levels, are crucial to the efficient operation of organizations. Values are beneficial to the company in every case. As a result, values must be important to any strategic plan and should be discussed at every management meeting and organizational endeavor.”

Further, in a study by Oh, Cho, and Lim (2018), it is critical to instill essential core values in employees to improve their work attitudes and, as a result, the organization's overall effectiveness. Authentic leadership displayed via the practice of core values, on the other hand, is a steppingstone to facilitating employee engagement and, eventually, improved organizational performance. Business managers apply key corporate values to boost performance and productivity (Yunus and Tadisina, 2016).

Similarly, these studies are relevant to understanding organizational values and identifying their effect on organizational effectiveness.

1.1. Conceptual Framework

The conceptual framework is based on research that aims to propose a metric scale for analyzing organizational values to determine the impact that various categories of values have on the organization's overall effectiveness as an overall measure of organizational success (Figure 1).

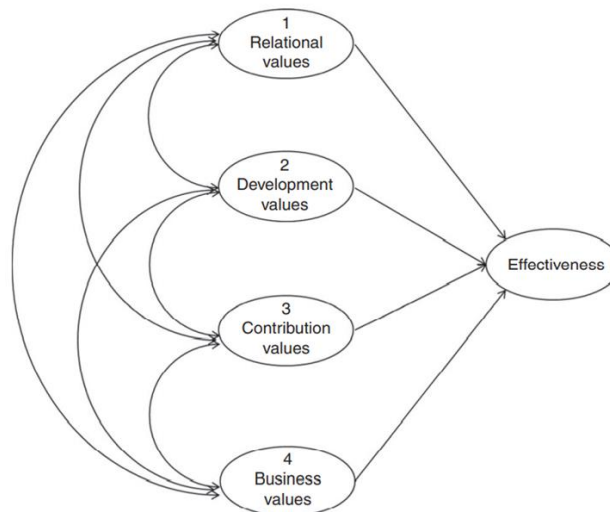
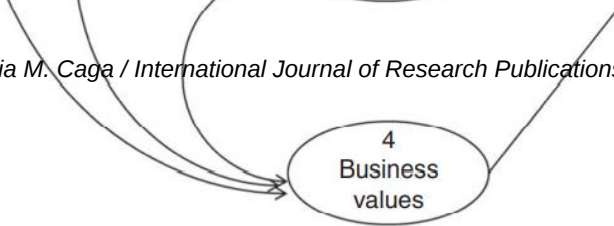


Figure 1. Conceptual Framework

Source: Is it worth having focused values? (Malbašić, Marimon & Mas-Machuca, 2016)



The empirical, methodological approach was based on surveying 874 employees and other information sources inside 24 enterprises in Croatia. A set of analyses was undertaken using structural equation modeling to establish a scale for assessing organizational values and examine the impact of different categories of values on organizational effectiveness.

According to Malbašić, Marimon & Mas-Machuca (2016), the concept of organizational values is multifaceted, with business values that pertain to the company's business and profit-making activities, relational values that promote quality in interpersonal relationships, developmental values which assess innovation, and the degree to which new opportunities to improve are pursued, and contribution values which are primarily concerned with making a positive contribution to society, all contributing to it. Except for relational values, the other three value categories are essential antecedents of effectiveness. This is not to say that relational values should be ignored; instead, additional research is needed to determine how they might affect effectiveness.

1.2. Operational Framework

While the study of Malbašić, Marimon & Mas-Machuca (2016) was conducted in the Republic of Croatia, this research will be conducted in the Philippines. In the mother journal, the respondents were from 24 different companies that vary widely by sector, while this research will focus on a specific company only. In the adopted journal, methods to gather data include top-level interviews, surveys, and a review of publicly available financial information, while this study will use survey questionnaires only. Moreover, this research will adopt the same variables in the mother journal on organizational values, including the four value categories and organizational effectiveness.

The expressed core values of the company are mapped per value category based on the defined meaning of the core values. Relational values, especially among employees, enhance the quality of interpersonal relationships comprising mutual respect, respect for people, good interpersonal relationships, and a working environment, which relates to the core value of professionalism. Developmental values assess innovation and how new opportunities to improve are pursued embodies creativity, innovation, learning, entrepreneurship, and continuous improvement. In this category, the core values of the company applied are under competence.

Additionally, contribution values seek to go beyond what would be required by the business relationship for the stakeholders and encompasses environmental protection, corporate citizenship, social responsibility, integrity, serviceability, and customer satisfaction. In this category, the core values of the company relate to patriotism, integrity, and professionalism. Lastly, an organization's business and income activities are referred to as business values and involve cost consciousness, loyalty, diligence, and results achievement. This category relates to the company's core values of competence and patriotism.

Relational, developmental, contribution and business values will be assessed if they significantly affect organizational effectiveness. Likewise, as a whole, the effect of organizational values on organizational effectiveness will be tested.

This study will be guided by the operational framework stated in figure 2.

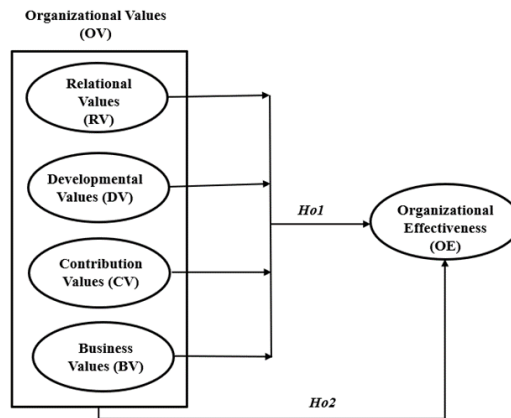


Figure 2. Operational Framework

1.3. Objectives

In general, the study determines the effect of each organizational value category on organizational effectiveness, identifies the overall effect of organizational values on organizational effectiveness, and proposes an intervention program that will drive employees to imbibe the values and improve the extent of application in decision-making, behavior, and actions. Specifically, the study aimed to achieve the following:

1. To weigh if relational, developmental, contribution, and business values significantly affect organizational effectiveness.
2. To gauge if organizational values as a whole significantly affect organizational effectiveness.

1.4. Hypotheses

Ho1: Relational values, developmental values, contribution values, and business values have no significant effect on organizational effectiveness.

Ho2: Organizational values as a whole has no significant effect on organizational effectiveness.

2. Methodology

In this study, the researcher employed the descriptive causal research design. It identified the cause and effect of organizational values on organizational effectiveness. Structured questionnaires were used to collect primary data from XYZ company in the Philippines involving full-time regular employees in the head office. The survey was conducted online, and participants were provided with a hyperlink to the survey. The

researcher utilized total enumeration sampling. Out of the 64 regular employees, 39 agreed to take part in the survey, resulting in a response rate of 60.93%. An interview with the HR manager in charge of program implementation was undertaken to confirm the survey results.

Based on the Central Limit Theorem (CLT), a sample size equal to or greater than 30 is enough to determine normality. The theory claims that regardless of the shape of the original population distribution, the sampling distribution of the mean approaches a normal distribution as the sample size grows (Ganti, 2022). According to Goyder (1985), the acceptable range could be between 30% and 70%. A textbook written by Fowler in 1984 mentioned that 60% is acceptable. According to Baruch and Holom (2008), the response rate in business and management research can range from 50% to 80%, with a 55.6 percent average (Baruch, 1999). All of the discussed response rate studies were cited by Mellahi and Harris (2016).

The instrument used has four components. The first section collects the respondents' socio-demographic statistics. Section two includes items to gather respondents' attitudes and opinions on the 19 questions. It was adopted from Malbašić, Marimon, and Mas-Machuca (2016)'s questionnaire regarding the absolute values of the organization and to what extent they are applied at work in a 5-point Likert scale ranging from "To a Very Small Extent" to "To a Very Large Extent." In the 3rd section, 12 items to measure organizational effectiveness construct, which are goal approach, system resource approach, and competing values approach, adopted from Kareem, M. A. & Alameer, A.A.A. (2019)'s questionnaire, will be used. The final section allowed respondents to identify integration programs that they thought would promote organizational values.

Table 1. Questionnaire Specification

Part	Variable	Item No.
I.	Respondents Profile	1-5
II.	Organizational Values	
	Relational values	6-9
	Development values	10-14
	Contribution values	15-20
	Business values	21-24
III.	Organizational Effectiveness	25-36
IV.	Intervention Program Recommendations	37

On the one hand, the 5-point Likert scale was interpreted with the range in Table 2. The responses were summarized per question with the corresponding rates (1 – To a Very Small Extent, 2 – To a Small Extent, 3 – To a Moderate Extent; 4 – To a Large Extent, and 5 – To a Very Large Extent), and the average for each question were derived. The resulting average per question was mapped in Table 3 to determine the interpretation for each question.

Table 2. 5-point Likert Scale Interpretation

Interpretation	Mean Range
1 - To a Very Small Extent	1.00 - 1.49
2 - To a Small Extent	1.50 - 2.49
3 - To a Moderate Extent	2.50 - 3.49
4 - To a Large Extent	3.50 - 4.49
5 - To a Very Large Extent	4.50 - 5.00

The researcher secured approval from the company's Human Resources manager to gather data through a survey. Upon approval, the researcher performed a reliability test for the instrument. Cronbach's alpha coefficient was used to establish the measuring instrument's reliability by determining the internal consistency of each scale category of values. The instrument passed the reliability test with a resulting Cronbach's alpha per variable in Table 3. The researcher sent the link to the questionnaire through email to the Human Resources manager, who cascaded it to all regular employees.

Table 3. Cronbach Alpha for the Variables

Variables	Cronbach's alpha coefficient
1. Relational Values	.926
2. Development Values	.915
3. Contribution Values	.919
4. Business Values	.830
5. Organizational Effectiveness	.966

Multiple linear regression was used to determine the significant effect of each organizational values category on organizational effectiveness and the significant effect of the organizational values category as a whole on organizational effectiveness.

This study was carried out following the research ethics guidelines and the rules and procedures of De La Salle Lipa (DLSL). The research involved participants through an online survey. Before starting the research, the researcher informed the participants about all of the activities involved in the study and obtained informed consent from them. Information provided by the participants was treated with confidentiality. No identifiable information about participants was included in the study papers or other published documents. The volunteers were always referred to as "anonymous in the research reports." Respondents were asked to participate voluntarily and could withdraw from the study at any time. The questionnaires will be deleted after the completion of the study.

3. Results and Discussion

Table 4 presents the profile of the respondents in terms of gender, age, length of service in the company, department, and position.

Table 4. Respondents Profile

	Categories	Frequency	%
Gender	Male	6	15.38
	Female	33	84.61
	Total	39	100.00
Age	Between 21 and 30	11	28.21
	Between 31 and 40	15	38.46
	Between 41 and 50	6	15.38
	Between 51 and 60	5	12.82
	Over 60	2	5.13
	Total	39	100.00
Length of service with the company	0 to 5 years	12	30.77
	More than 5 to 10 years	13	33.33
	More than 10 to 15 years	6	15.38
	More than 15 to 20 years	2	5.13
	More than 20 years	6	15.38
	Total	39	100.00
Department	Strategy/Investor Relation	3	7.69
	Finance and Controllershship	8	20.51
	Treasury	1	2.56
	Public Affairs	1	2.56
	Human Resources	4	10.26
	Information Technology	1	2.56
	Group Corporate Assurance	9	23.08
	Executive Office	4	10.26
	Foundation	3	7.69
	T-O Operations	5	12.82
	Total	39	100.00
Position in the organization	Rank and file	12	30.77
	Supervisor	11	28.21
	Manager	11	28.21
	Executive	5	12.82
	Total	39	100.00

Table 5 shows the mean values and standard deviation applied to each variable based on the survey questionnaire and the mean interpretation.

The dependent and independent variables have a low standard deviation and are concentrated around the mean.

Table 5. Overall Mean and Standard Deviation of Variables

	Mean	Standard Deviation	Mean Interpretation
Relational Values (RV)	4.26	.6563	To a Large Extent
Developmental Values (DV)	3.91	.6187	To a Large Extent
Contribution Values (CV)	4.07	.6091	To a Large Extent
Business Values (BV)	4.15	.5432	To a Large Extent
Organizational Effectiveness (OE)	3.91	.6226	To a Large Extent

For the independent variables, the results revealed that respondents practiced the organizational values to a large extent ($M=3.91$ to $M=4.26$). Among the variables of OV, RV was the most applied by the respondents ($M=4.26$). The respondents highly observed the respect for people value, defined as the respect for values and uniqueness of each individual ($M=4.41$) based on Annex C. Although DV was applied to a large extent ($M=3.91$), it has the lowest application level among the four OV categories. This suggests that respondents are less likely to practice the corresponding values at work, particularly the entrepreneurship value ($M=3.67$), which is defined as constantly seeking new opportunities and ways to improve results and succeed.

For the dependent variable, the result shows that organizational effectiveness was applied to a large extent ($M=3.91$). According to Annex C, this implies that the respondents perceived that the company could acquire resources ($M=4.15$), encourages organizational health ($M=4.13$), and makes efforts to improve quality ($M=4.10$).

Effect of relational, developmental, contribution, and business values on organizational effectiveness

This study was conducted to determine if organizational values grouped per value category (RV, DV, CV, and BV) significantly affect organizational effectiveness. It was hypothesized that RV, DV, CV, and BV have no significant effect on organizational effectiveness. Pearson's correlation and multiple linear regression were used to test this hypothesis.

Table 6 presents that RV ($r = .698$), DV ($r = .574$), CV ($r = .617$), and BV ($r = .575$) have strong positive relationship with OE and such relationship is significant ($p\text{-value} < .01$). This means that the more RV, DV, CV, and BV are applied would lead to a more effective organization.

Table 6. Correlation Analysis

	RV	DV	CV	BV	OE
RV	1				
DV	.651**	1			
CV	.851**	.640**	1		
BV	.779**	.590**	.732**	1	
OE	.698**	.574**	.617**	.575**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Table 7 shows the regression matrix on relational, developmental, contribution, and business values on organizational effectiveness. Results showed that RV, DV, CV, and BV positively affect OV. This means that the more RV, DV, CV, and BV are applied, the more effective the organization will be. Notably, among the

value categories, RV, unlike DV, CV, and BV, significantly affects OE ($p\text{-value} < .05$). Among the four variables, RV has the greatest contribution to organizational effectiveness ($\beta = .527$). An R^2 of .513 indicates that 51.3% of variations in organizational effectiveness can be attributed to RV, DV, CV, and BV. Overall, the model is significant ($F\text{-value} = 8.937$, $p\text{-value} = .000$).

Table 7. Effect of RV, DV, CV, and BV on OE

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Interpretation
	B	Std. Error	Beta			
1 (Constant)	.765	.602		1.269	.213	
Relational Values	.500	.244	.527	2.047	.048	Significant
Developmental Values	.203	.164	.201	1.236	.225	Not Significant
Contribution Values	.015	.242	.014	.061	.952	Not Significant
Business Values	.040	.226	.035	.177	.860	Not Significant
$R^2 = .513$		$F\text{-value} = 8.937$		$p\text{-value} = .000$		

Dependent Variable: Organizational Effectiveness

Contrary to the generated result of this study, Malbasic, Marimon, & Mas-Machuca (2016) discovered that contribution values were the main antecedent of organizational effectiveness, followed by developmental and business values, whereas relational values have no significant bearing on effectiveness. Most likely, the respondents differ in their culture, industry, location, and other factors that may have influenced the output.

Effect of organizational values as a whole on organizational effectiveness

It was hypothesized that OV, as a whole, has no significant effect on organizational effectiveness. Pearson's correlation and multiple linear regression were used to test this hypothesis.

Pearson product correlation in Table 8 revealed that organizational values has a strong positive relationship with organizational effectiveness ($r\text{-value} = .696$) and such relationship is significant ($p\text{-value} < .01$). It indicates that a greater emphasis on organizational values would result in a more effective organization.

Table 8. Correlation Analysis

	OE	OV
OE	1	
OV	.696**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Table 9 presents the regression matrix on the overall effect of organizational values on organizational effectiveness. It was depicted that OV, as a whole, positively affects OE. This means that the more organizational values are practiced, the more effective the organization will be. Notably, when taken as a whole, organizational value is a significant predictor of organizational effectiveness ($p\text{-value} < .05$). An R^2 of .485 depicts that 48.5% of the variation in organizational effectiveness can be explained by organizational values. Overall, the model is significant ($F\text{-value} = 34.843$, $p\text{-value} = .000$).

Table 9. Effect of OV as a whole on OE

		Unstandardized Coefficients		Standardized Coefficients			
Model		B	Std. Error	Beta	t	Sig.	Interpretation
1	(Constant)	.620	.563		1.102	.278	
	Organizational Values	.806	.137	.696	5.903	.000	Significant
R ² = .485		F-value = 34.843		p-value = .000			
Dependent Variable: <i>Organizational Effectiveness</i>							

The findings indicate that when the employees always observe organizational values, the effect on business performance is more significant.

Similarly, Amah & Ahiauzu (2014) study claimed a significant positive relationship between shared values and organizational effectiveness. An increase in the level of shared values in the organization will enhance organizational effectiveness. According to Fassel (2002 cited by Malbašić, 2020), commitment to shared corporate values is an essential, if not the most important, aspect in determining organizational effectiveness. According to the study, employees that gave the hospital high ratings for values commitment also assigned high ratings for organizational effectiveness.

Furthermore, in the study by Denison and Mishra (1995 cited by Mathew, 2019), it was identified that most of the relationships between organizational culture features and effectiveness metrics were significant.

In contrast to the study of Jin and Drozdenko (2010 as cited by Lee, 2020), it was observed that organizational values did not contribute directly to the performance outcome of the organization. However, indirectly, the mediating variables of CSR and ethics in turn affect the organizational outcome. This may be due partly to an organization's apparent good identity, which is based on strong organizational core values and social engagement inclinations.

4. Conclusion

In general, the study determined the effect of OV on the factors of OE. First, when taken per value category, it was revealed that RV positively and significantly affects OE while DV, CV, and BV, though positively affect the OE, were not significant. Therefore, Ho1 is not fully supported. This means that the employees were less likely to observe the values under DV, CV, and BV. Second, OV as a whole significantly and positively affects OE. Thus, Ho2 is not supported. This indicates that the more the employees imbibe all the components of OV, the more that they can improve their OE.

The study implied that integrity was the organization's attributed value. It is the organization's identifiable characteristic in terms of daily actions and is essential for management to comprehend and incorporate into their decision-making. Similar to the study of Tessema, Dhumal, Sauers, Tewolde, and Teckle (2019), commitment to integrity is one of the most famous value dimensions of the corporate values statements using 249 companies that are listed on the New York Stock Exchange. Failure to pay attention to integrity or ethical issues can result in lawsuits and damage to the company's reputation, which can harm the company's bottom line.

In addition, the research provided the company's HR department an opportunity to assess the extent to which employees practice the organization's core values through a third party, perhaps reducing employees' reluctance to respond honestly.

Also, the study attempted to answer Malbasic, Marimon, and Mas-Machuca (2016)'s proposal that it be conducted in some other country.

The finding of this study can also be regarded in the light of the developing body of corporate governance research and so have practical implications. Besides, the research opens the door for helpful research on corporate behavior.

5. Recommendations

The study's findings of a strong positive relationship between shared values and effectiveness apply to workplaces and require a commitment to reinforce its application among employees. Based on the community needs assessment conducted at the onset of the study, the following are the top priority areas.

It was discovered in the study that the more the employees imbibe all the components of OV, the more that they can improve the OE. In this regard, the study proposed an intervention program to increase the application of all the values prioritizing those that need improvement. As declared in the introduction, the company has a few existing activities for the core values; however, not all values were promoted and supported with programs. The action plan in Appendix A will assist the management, specifically the project team, in developing a concrete plan to encourage their employees to apply all the core values in their decision-making, behavior, and actions. This will also help address the feedback from the survey and have a timeline for turning actionable information into a meaningful outcome. Included are the suggestions enumerated by the respondents in the survey.

The top five recommendations from the respondents include effective constant communication with employees, bringing back integrity programs and values summit, learning sessions through sharing, soliciting feedback from employees like 360 degrees feedback process, and focused group discussions per department about the actual situation, practices, concerns, and others.

The plan includes a timeline where the activities are posted. The status of how the program is proceeding can be monitored in this activity. Besides, a regular meeting is also set to assess the progress. To measure if the goal has been reached, the project team, through HR will assess all employees on how they observe the values after the prescribed period of implementing the intervention program. They may use the survey result as a baseline or create another instrument that will be more appropriate for their requirements or needs.

Project Action Plan

Title of the Project: Reinforcing XYZ Company's Core Values		
Goals/Objectives: The program proposed aims to improve the extent to which the values are applied at work, especially in decision-making, behavior, and actions, and better contribute to attaining the company's vision and mission.		
Time Frame: July 2022 – June 2023	Unit/Institution Responsible for the project:	Stakeholders: Employees, customers,

	Human Resources Department	investors, and suppliers
Project Team: Management team (Chief Operating Officer and head of different departments); HR manager in charge of values programs		

Activities <i>What Will Be Done?</i>	In-Charge <i>Who Will Do It?</i>	Timeline <i>By When? (Day/Month)</i>	Resources A. <i>Resources Available</i> B. <i>Resources Needed (financial, human, political & other)</i>	Potential Risks A. <i>What individual s or organizations might resist?</i> B. <i>How?</i>	Communications Plan A. <i>Who is involved?</i> B. <i>What methods?</i> C. <i>How often?</i>
Step 1: Communicate	A. HR Manager ● Create awareness that the action planning process is about to begin ● Set expectations, responsibilities, and a timetable B. Management team ● Communicate survey results to employees ● Review the recent steps in the action planning process. ● Set expectations, responsibilities, and a timetable.	15-30 days (post-survey)	A. Resources Available ● Laptop or desktop ● Internet connection and communication platform (Teams/Zoom) ● HR and management team B. Resources Needed ● Human resources - IT support for the video presentation	● All employees are required to attend town hall forums. ● Employees will receive the email through their company email, but there is a chance that they might not read and understand it thoroughly.	A. Management team, HR manager, and all other employees B. Clincher video presentation in a town hall forum online, presentation materials for the survey results, and email notification to promote or campaign. C. Town hall forum and weekly email communication

Step 2: Develop	Project team ● Review the organizational and team-specific survey results ● Select the top priority for improvement, focusing on identified strengths and key drivers for improvement ● Develop action plans for the program (<i>Recommended programs/activities are included in the following table</i>)	30 – 60 days	A. Resources Available ● Laptop or desktop ● Internet connection and communication platform (Teams/Zoom) ● Human resources – Project team	● Members will have conflicting meetings or priorities on the scheduled planning session and may not attend the session regularly ● The program may be postponed to accommodate other high-priority projects.	A. Project team B. Brainstorming and planning session C. Weekly
Step 3: Implement	Project team ● Define ownership and a timeline for each action item and program ● Keep track of and monitor progress ● Regularly communicate updates	60 –90 days	A. Resources Available ● Laptop or desktop ● Internet connection and communication platform (Teams/Zoom) ● Human resources – Project team B. Resources Needed ● Financial budget for program implementation	● Members will have conflicting meetings or priorities on the scheduled planning session and may not attend the session regularly ● The program may be postponed to accommodate other high-priority projects ● The management may not fully support the budget for the project	A. Project team and all employees B. Monitoring and tracking of progress and meeting for the updates C. Communicate updates to the project team twice a month

Step 4: Measure	Project team • Designate the development of the survey questionnaire • Establish and convey the range of dates for the survey. • Conduct the survey • Presentation of survey results for review and analysis	~ 12 months	A. Resources Available • Laptop or desktop • Internet connection and communication platform (Teams/Zoom) • Human resources – Project team	• Employees may not participate in the survey • Employees can be biased in answering the survey	A. Project team with all employees B. Online survey through google forms C. Two weeks to conduct the online survey
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Reference: Action Planning Guide by Arthur J. Gallagher & Co.

Second, it is recommended that the company motivate employees by acknowledging and rewarding exceptional values application. Malmi & Brown (2008 cited by Almeida, Beuren & Monteiro, 2021) mentioned that individuals and organizations are encouraged to perform better by using rewards to manage the direction, duration, and intensity of their efforts. This is because the use of reward systems to engage and encourage employees is determined by organizational values as indicated by Garza & Morgeson (2012 cited by Almeida, Beuren & Monteiro, 2021). Also, Malbasic, Marimon, & Mas-Machuca (2016) mentioned that organizational effectiveness would improve if management provided some incentives or activities to encourage flexibility and the search for innovative methods to improve the company.

Third, based on the survey conducted, most respondents suggested that effective and constant communication of the core values is needed to enhance its application. According to Dermol and Sirca (2018), internal communication of organizational values is critical for the internalization of company values and thus enabling employees to live and implement them daily. Therefore, the organization can use effective communication strategies to emphasize the OV. Additionally, an individual's acts will be influenced over time by management's continual and consistent reference to values, and a subjective standard about a given behavior will be established Michailova and Minbaeva (2012 cited by Lundén and Utberg, 2017).

Consequently, integrity, being the identified attributed value of the organization, can be sustained and regularly monitored. The ability of the organization to acquire resources that ranks first on the list of OE is a good indicator that the company can support and preserve its core values.

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