

# THE LEARNING EXPERIENCE IN A VALUE-BASED LEADERSHIP

**Daniela Cornelia NICULESCU**

*The Bucharest University of Economic Studies, Bucharest, Romania*  
*dana.tolici@gmail.com*

## **Abstract**

A growing number of empirical analysis identifies the need for talent retention, policies related to employee welfare, employee participation and employee satisfaction. Leaders are called to ensure the employee's full contribution in accomplishing organizational goals and objectives, attaining occupational integration, as well as embodying career development programmers, all these improving the quality of life and the performance of the organization. We propose a research within the Romanian banking system, that studies the liaison between learning and knowledge-based society, on one hand, and a value based leadership, on the other hand. When establishing a synergy between values and life, several obstacles are removed, that stand in the way of talented people to perform at their very best. Therefore, successful employee engagement is achieved, leading to higher efficiency, and a more motivated and energized workforce. If today's leaders set their own goals according to their highest values, then enormous rewards would surely follow, not only on personal level, but at an organizational level as well. In this framework, change becomes critical: discarding old values, learning new values and reinforcing new actions. Our study shows that success and happiness is not all about fame and wealth, instead personal conduct is the foundation of satisfaction, helping the employees who work in the Romanian banking system achieving that particular feeling of self-satisfaction when man has managed to reach the set of values that he has been pursuing.

**Keywords:** Value, Learning, Knowledge, Accountability, Engagement, Motivation.

## **1. INTRODUCTION**

In the century of continuous change, that favors faster and more profound climate changes, economical and sound structural changes, and moreover, an astounding prosperity gap between different social layers within different countries, it has been augmented the attention towards knowledge sharing and towards correlation between success and self-accountability.

## **2. THE SYNERGY BETWEEN VALUES AND LIFE**

Considering the new approaches for economic challenges and new frameworks for business models, for communication, innovation, leadership and competitiveness, in recent years, much focus has been on the congruence and alignment between life and values: 'Employee-friendly policies can attract high quality workers to a firm and ensure that they remain within the firm, to form a source of sustainable

competitive advantage' (Edmans, et al, 2014, p. 2). Therefore, in order to achieve employee welfare □ a valuable tool for talent retention, today's organizations ought to sustain effective policies and practices that bring about motivation, and moreover, passion, for what employees are accomplishing. Leaders have to ensure the employee's full participation in accomplishing all goals and objectives, attaining occupational integration, as well as embodying career development programmers, all these improving the quality of life and the performance of the organization. Values and lives should be coordinated one with another (Taylor, 2014), so that every employee forms his or her personal 'definition of success' and sets meaningful objectives that meet the organizational goals. These values should not be 'imposed by popular culture, for example, wealth, status, popularity, and physical appearance' (Taylor, 2014). An employee who becomes deeply engaged with and connected to the organizational and departmental activities and who, furthermore, is showing interest in learning the characteristics of close relationships and interactions with colleagues, that person will actually be promoting a more pleasant and happier workplace, because friendship, accountability and happiness are closely connected. When establishing a synergy between values and life, several obstacles are removed, that stand in the way of talented people to perform at their very best. Therefore, successful employee engagement is achieved, leading to higher efficiency, and a more motivated and energized workforce. Moreover, Panosian (2013) challenges employees to arm themselves with 'tools of happiness' by setting and implementing basic motivational guidelines, which, in time, will become integrated in the form of strategic personal planning as daily, weekly and monthly routines. It is what the author calls 'everyday motivation'.

In order for people to be engaged in their work, real motivational factors are advanced, including recognition, personal development, career progress, efficient inter-personal relationships, expertise, positive work environment, personal life boost, etc. Therefore people should 'reframe success in a way that is consistent with [...] true values' (Taylor, 2014).

In developing a clear sense of what kind of values make an employee truly happy, engaged and motivated, we must first understand that people's highest values are the ones that are emphasized and that never disappear, not even when learning new behaviors (Butler, et al, 2012). Moreover, Dr. Demartini (2013) underlines the difference between social values, on one hand, that become a paradigm and an idealistic framing of what true values really are, and true values, on the other hand: '[that], by contrast, are as specific to you as your fingerprint, your retinal pattern, and your voiceprint' (Demartini, 2013, p.12). To most people, values are listed as a set of abstract concepts and qualities, like morality, honesty, integrity, religious beliefs, trust, and others. However, real values are in fact those liaisons and activities that truly nourish ones innermost essence. In his forty years of activity, Dr. Demartini noticed that if he sets his own goals according to his highest values, then enormous rewards

would surely follow. This way, the author understood that his own values, that made him outline and meet his objectives, were, as a matter of fact, researching, studying, writing, traveling and teaching: 'Those eighteen-hour days and that intense travel schedule to fulfill my international speaking engagements do not seem like hard work' (Demartini, 2013, p. 3) – he said.

In order to create working and living habits that embrace high values, it may require some fundamental changes, since habits and beliefs are generally deeply embedded in ones life. If organizations want to improve and grow, their employees must explore possible means for progress. A growing number of researchers have discovered that change is the most difficult, yet challenging and rewarding experience. According to Lewin's 'Change Model' (1947), there are three steps to follow when considering change:

- Discarding past values and beliefs, unfreezing old attitudes and behaviors: this might bring ambiguity and uncertainty, establishing a sense of urgency based on a powerful breakthrough, that one can not continue to act as before and to believe the same things as he used to;
- Changing ones Mindset – a recent research shows that the amygdale, a part of the temporal lobe of the brain, is involved with the convergence of emotions and motivation. While exploring the relationship between fear of change and people's actions, Srinivasan (2011) encourages people to become aware of their fears and to name them, thus, allowing the conscious mind to decrease the amygdale's function, and prevent people from struggling to make a change. Attitudes have a strong influence on behavior. By changing selected key attitudes, people change their long-lasting behaviors and mindsets, becoming more effective at work;
- Lewin's 'refreeze' step - where processes like consolidating the new state, acknowledging the true values and building on those values, actually carry the meaning of reinforcing new actions and ways of operating procedures.

### 3. WHAT IS SUCCESS?

20th Century media, together with all breaking news issued by important magazines and newspapers alike (Fig. 1), engulf the public with headlines on successful people, people with outstanding fortunes (billionaires, trillionaires), important families or highly influential people.

Here are some of the latest headlines from two well-known magazines:



FIGURE 1 – BREAKING NEWS  
Source: Forbes, 2014, Time, 2014

Professor Easterlin (2011) examined the relationship between happiness, wealth and satisfaction and he argues that once the basic needs are met, an increase in wealth/income does not necessarily bring a sense of happiness and satisfaction, unless this change comes with it other fundamental features.

A Gallup survey points out that 35% of the population in USA, with an income below \$ 35.000 find themselves in a 'very happy' state (Adam 2013). Deaton (2013) comes to add that in an economic environment that has been continuously shaped and developed over the last 250 years, and without which we would find ourselves unable to speak of sustainable progress, money does not bring significant value to the well-being and happiness of the population, in general. There exists a linear congruence between well-being and happiness (Deaton, 2013), where well-being is nothing but a cluster of good things and positive attitude towards life (Fig.2) The below figure related to the linearity between percentage of people who experiences happiness and GDP per capita proves that beyond a certain point, additional income does not improve satisfaction and happiness.

But what does success actually mean and how could it be explained? How could anyone achieve success when it is such a vague concept and so differently perceived by people, depending on the place they find themselves to be or the framework and theories that have taken shape in their minds?

According to the Oxford Dictionaries (2014), success would be defined as ‘the accomplishment of an aim or purpose’ and ‘the attainment of fame, wealth, or social status’ (Oxford Dictionaries, 2014).

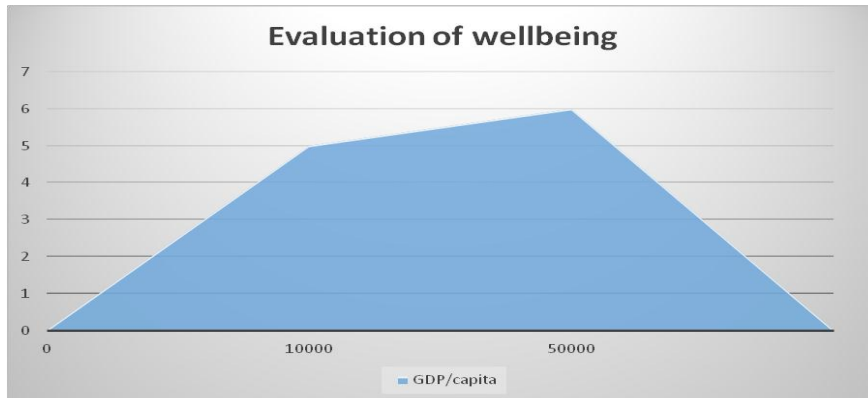


FIGURE 2 – EVALUATION OF WELLBEING  
Source: Adapted from Deaton, 2013

Is success all about fame, money, appreciation, social status, or is it rather connected to achieving that particular feeling of self-satisfaction when man has managed to reach the set of values that he has been pursuing? According to researcher Armstrong (2013), in USA, every 2 minutes a suicide occurs, bringing the number of worldwide suicides to a total of 1000 per day (World Health Organization, as cited by Armstrong 2013). Therefore, during his extensive research on the 15 states of the United States, Armstrong (2013) offers a more complex definition for the term ‘success’, by closely studying what lies behind the success or failure of companies. The author discovered seven essential rules that govern success and which, he says, if carefully and thoroughly followed, will most certainly lead to prosperity and happiness. Amongst these seven, we remember the following: Fix the Right Goal, DRIVE!, and Perseverance. In order to provide a detailed analysis of these three rules, a more in-depth examination will provide information on every aspect of the above traits:

- Fix the right goal: The difficulty in setting the right individual objectives resides in people’s personal view on what is attractive enough to follow in order to find success and achievement.

As long as most people find satisfaction and freedom in purchasing more and more products, they will be attracted in a vicious circle, where, after achieving a goal, they will be craving for more:

“We live in a world where the masses seem to celebrate those who have more and actually envy them for what they have. With that mindset, we tend to buy anything that we convince ourselves that we need — simply because we can afford it. Whether it’s a new phone every year, tons of new clothes which we don’t even wear or that second (or third)

car that we need for the weekends, consumerism has taught us that we should buy new stuff as frequently as possible in order to remain trendy” (Andrews, 2014).

Setting the right goal means, at the very essence of the concept, to find a greater sense of commitment and balance, synching inner values and life: “Life is intensely satisfying when it’s full of people and activities that align with your highest values” (Demartini, 2013, p. 4).

- **DRIVE!:** Nobody is able to see his life ahead: it is just like driving a car whose front shield is completely blacked out and the only guidance one could receive are from the car’s rear view mirrors: these mirrors show the driver only the past, only what he has been through already, and if the driver perceives unhappiness through what he sees and what he or she has already experienced, it is time to turn around and change direction. Actually, truth being told, people are not too keen on dramatically changing their behaviors and values. However, when exerting a new force in order to achieve a meaningful change that balances values and life, helps reach happiness and achievements, it will eventually reduce the weight of unhealthy values and allow only the true values to prevail.
- **Perseverance** - Stiglitz (2014) points out a new approach to well-being, development, and progress by highlighting the importance of research, innovation and ‘learning by doing’. All these lead to investment, and ‘as we [...] invest, we get better at what we do’ (Stiglitz 2014, p. 2). The essence resides in learning how to accomplish our goals and how to perform better and better in our day-to-day activities. The idea of the learning society is featured strongly in Stiglitz’s research, while the author considers that this should be one of the leading objectives of the XXIst Century economy. The author concludes that through learning, people could increase their standards of living. Therefore, one should know that spending on experiences, gaining knowledge, learning and persevering, would supply a long-term accomplishment and satisfaction (DiSalvo, 2014), while the more you spend on buying different things, the less satisfied you would feel (according to the marginal results theory).

Some specialists, who have studied both the differences between the World’s richest countries and the poorest, as well as how people relate to happiness, have concluded that richer countries are happier than poorer countries (Poppick, 2014). Nonetheless, the main idea is that all human beings owe it to themselves to choose in life that which brings meaning to the path they are going on.

When investing in relationships, in intangible assets, and in great experiences instead of objects, all the individual core values of the employees within any organization will be visible, setting the foundation of the organization’s core values, upon which it builds its culture, business practices, articulating what

people stand for. Any organization would be proud to have talented, happy, trustworthy, disciplined employees, and therefore, the organization would help these employees thrive so as to boost not only individual, but company performance, as well.

#### 4. POWER AND VALUES

Upon examining the convergence of influential and powerful people, on the one hand, and the values they use to exercise that power, on the other hand, we may observe that the achievements of today's leaders are more frequently eclipsed by their personal perception in the media and public (Thorborg 2014). Hard work alone seems to no longer be enough, because managers' careers have become more dependent on perception than on performance. The performance of a manager, which is usually measured through positive gains from business deals and market values, or through the performance of both subordinates and organization, has nowadays become less important than its perception among the stakeholders (Thorborg, 2014).

In our quantitative research, we used the individual interview as data collection instrument. Our respondents were largely chosen from representative leaders within the Romanian banking system, CEO's and senior administrators, who have been had a minimum 15 years experience in the field and who guide more than 20 subordinates. Our goal was to obtain valid and reliable measures in the form of unstructured and flexible questions related to value-based leadership, to employee's encouragement to represent high values, or how they perceive well-being, happiness and accountability in the workplace. Our ultimate goal aimed to research the way that a value-based work environment boost a more efficient learning experience for the employees.

The primary data collection introduces a few ideas related to the above topics. At the decision-making level, if leaders do not rely on their highest values, they should be aware of the consequences of their decisions. In a healthy banking system and a functioning bank, there must be values that are untouchable - and others than financial values. It is not enough for the image to be perfect, the facade to be true, or have the best PR in place, our interviewees' said, as long as there is an absence of trust or confidence, and presence of fear. Few leaders are prepared to accept the responsibility that goes with a value-based leadership. Personal conduct influences individual performance, which becomes the foundation of organizational culture and values in the Romanian banks, and furthermore is converted into organizational performance. Our responders have highlighted that leadership, in essence, is an influential process aimed at shaping the behavior of others, encouraging senior management to work harder and to follow effective behaviors and attitudes. A powerful leader of any organization, of any

bank, as we learned during the research, will be able to implement organizational goals and objectives, to organize activities, and to continuously coordinate staff, in order to lead the company towards success. If a leader has such an ability to influence his/her organization, the stakeholders and the environment, then, both leaders and followers will find the way to work towards shared values, in a framework of coherence, of the liaison between the leader and those who follow him or her on this basis. So every leader needs to provide a representation of high values in order to encourage employees of any bank.

In the last years, within the banking system, features such as law, morality, and values, bare more resemblance to authority and control, even if the leaders within the banking system are relying on a morally-superior view over their own values willing to return to significant values, common efforts and collective beliefs as hard work or responsibility. Our research shows that when leaders use their influence conscientiously and for the right reasons, there is no need for adjusting their image before the media or the public, since their inner values speak for themselves.

## 5. POWER OF VALUES

Values and personal beliefs are significant to people, being embedded into ones subconscious. All actions, decisions and choices are based on these meaningful values, since they lead, without a doubt, to valuable actions. Learning is fundamental for the development of individuals and social welfare, as well as for the progress of the human race. Today's banking institutions, as our study shows, should focus on how treasured employees are acquiring new information, since a passionate, motivated and engaged employee will bring economic value to the bank. When it comes to employee motivation, values transposed into actions and behaviors are more powerful than traits and theories, whereas employee accountability includes concepts such as creativity, dynamism, courage, and involvement. Assessing the interview-study of the banking leaders' conceptions of boosting employee career, our findings show that when learning is focused towards critical career-related satisfaction, then new skills will be attained and peoples' abilities will be upgraded.

By understanding that inner values are the foundation of well-being, happiness, and accountability, the responders showed an interesting point of view: employees will be able to determine their learning priorities, as well as to set the measures they could use to evaluate whether the learning outcomes concur with their values and lives. Once having been understood and put into practice in everyday life, as well as in work-related activities within a banking organization, values have the power to inspire and organize the entire community so as to improve people's abilities.



In order to put into practice the theories committed to bringing about change, it is of the utmost importance that people stay focused on organizational missions (Mushegan, 2005). Leadership helps organizations stay centered on their missions, visions and values through helping people improve their personal competences. Our research indicates that personal development is the most important thing meant to help improve personal career and organizational ability within the Romanian banking system. Values are a powerful element of the banking managerial life, by providing an action framework which assists the organization as a whole in achieving long-term sustainable profit. The learning process must be a constant approach of the XXIst Century banking community, as long as continuous learning is a constant improvement of abilities and acquiring of knowledge. Learning encourages accountability, as well as the ability to adapt to change, to carry out performance tasks, to becoming more motivated at the workplace by having an appropriate behavior through the help of ethical standards, to endure passionate hard work in order to gain success, and to establish trust amongst employees, who believe leadership to be trustworthy and organizational objectives to be attainable (as the interviewed managers indicated)– all these in a framework of a Value-Based Society. Analyzing the data collected during our research, we are able to frame a model of behavior that connects a value-based society to the learning experience. The following illustration (Fig. 3) portrays the connection between Learning and the key features of organizational excellence, because a healthy organization (the banking institutions, in our studied case), should understand that it takes a collaborative effort to apply a learning-based approach that aims to analyze competing values and principles, as well as to connect them to professional standards.

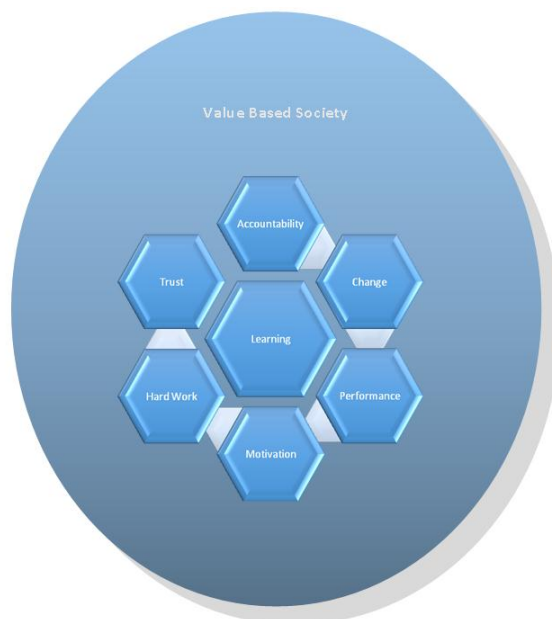


FIGURE 3 – LIAISON BETWEEN LEARNING AND VALUE-BASED SOCIETY

Success does not lie in a set of special abilities belonging to anyone of us, however, most failures do have their basis in misfits (Armstrong, 2013), in the sense that people do not perform those activities that fit them best. Everyone has the necessary inner drive to achieve success and become a success in itself. The essence of a value-based society, value-based organization, or value-based leadership is the learning feature, all the other outcomes (accountability, performance, motivation and so on) being derivatives from the knowledge boosting gained by learning.

## 6. CONCLUSIONS

Studying the connection between a value-based leadership and the learning continuum and knowledge gathering in the Romanian banking society, we have learned that there is a close relationship between ones values and life; employees in the Romanian banking system need first of all to learn new values and to reinforce new actions. An employee who is continuously boosting his/her knowledge will actually be promoting a more pleasant and happier workplace. The essential rules that govern success and that will most certainly lead to prosperity and happiness, could be related to fixing the right objectives (personal and organizational), following the right guidelines ruled by high values, and persevering every day in those.

Personal values have a power of their own. By understanding that inner values are the foundation of well-being, happiness, and accountability, the employees within the Romanian banking system will be able to determine their learning priorities, as well as set the measures they could use to evaluate whether the learning outcomes concur with their values and lives. Values have the power to inspire and organize entire communities so as to improve people's abilities.

Consequently to our empirical study, we propose a model of behavior, based on learning and knowledge outcomes. First of all, the employees in the Romanian banking system need to improve their accountability, getting the most out of their own performance, second, they will need to change their long-lasting behaviors and mindsets, becoming more effective at work. When leaders will ensure the employee's full participation in accomplishing organizational goals and objectives, the employees will improve the quality of their life and the performance of the bank. In a framework of a value based leadership, employees will be more motivated to perform high expectations, and in return to feel comfortable, excited, engaged and to work as hard as their inner values are determining them to. Finally, people will gain trust in their leaders, as well as in their organizations, but only with the learning feature in the center, in the core concern of the organization/ the bank, in a framework of pursuing high values.

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