

Article

Social Values as One of the Crucial Determinants of Efficient Strategic Management of an Energy Sector Company

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Abstract: A continual increase in the influence of exogenic conditions on a company's ability to sustain and develop and increasing complexity of the management processes correlated with the discovery of new dimensions of an enterprise, which determine its potential—these all lead to a growing interest in the search for the factors which might facilitate the elevation of the level of integrity of a business model of an enterprise/organisational and managerial system of an enterprise. Currently, it is absolutely necessary to perceive an enterprise not only in the terms of a rational economic system that, in its activity, concentrates on the generation of a positive financial result, and the creation of its value for the stockholders, but also as the system, at the same time, is meant to act responsibly in relation to its stakeholders, society and the market. The observation of successful enterprises shows clearly that the company values make up an element indispensable for the creation of effective strategies of development, and, at the same time, an element guaranteeing them an appropriate level of strategic integrity in external and internal dimensions, paired with the preservation of flexibility for necessary reconfiguration. Some special attention should be paid to the fact that, in order to build permanent competitive advantage, in the context of the strategic dimension of company management, values should play a key role also in the enterprises within heavy industry, including the energy sector. This article aims to present the significance of selected aspects of strategic dimension management in the context of company strategy in one of the largest energy sector companies in Poland. It is based on an analysis of the results of research carried out in the second part of 2021 and at the beginning of 2022. Qualitative studies based on a questionnaire survey and in-depth interviews were conducted among this institution's managers who are responsible for formulating the company strategy. The study results have shown that social and employees' personal values, organisational culture, and management by values, have a substantial impact on the character and quality of the strategic dimension management of the analysed company. The article aims to show the role of social values in determining efficiency in the area of managing the strategic dimension of a company. In the context of this aim, the following important research questions should be asked: What is the influence of social values and values represented by the TMT (top management team) on a given company's efficiency in the context of strategic decisions; and how do these factors influence the stability of the company development, and do they ensure the organisation's resilience to short-term external changes?

Keywords: strategic management; strategic dimension management; employees' values; holistic management; social values; management by values; values in the energy sector; strategy management in the energy sector; development management; gender parity in management



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1. Introduction

In a sense, values are overlooked in research concerning strategic management. So far, there has been no focus on who the strategists are, what social environment they come from, how they think and feel, or what values they identify with. Studies in this area have usually concentrated on understanding the content of strategy and its connection with company

results [1–3], as well as the processes of creating and changing strategy at the organisational level [4,5]. Strategic management has been described by researchers from all over the world in more than 2000 articles [6]. Studies in this area are currently being carried out, and in recent years, articles concerning elements influencing management strategy, such as executives' emotions, have been published [7]; the development of strategic management in the energy sector during COVID-19 has been surveyed [8], and the influence of personal values of senior executives in companies on the Istanbul Stock Exchange and their impact on these companies' competitive advantage have been studied [9]. After a thorough analysis of the literature and articles from these fields of study, it was observed that, up until now, important areas concerning the influence of values on strategic management in energy sector companies have not been described in the literature. This research is one of the first available and published studies concerning the identification of the influence and the triad of factors crucial for the efficiency of processes determining the quality of managing the strategic dimension of an energy sector company, namely: values, the TMT, and the environment in which the company operates and the endo- and exogenous factors resulting from it. Additionally, the article makes an innovative attempt at defining the influence of values on strategic decisions made by the TMT in an energy company operating on a nationwide scale.

Some important aspects of managing an organisation include planning its future, creating a vision, and formulating and implementing a strategy. The strategy of an organisation is a kind of a broad declaration of intentions, or, in other words, a written-down long-term development path of a given organisation, based on its key assets and four fundamental elements: its mission, vision, goal, and values [10]. However, not knowing what the future is ever to hold when planning company strategy today, managers need to build upon those foundations of the organisation which will prove strong and resistant in the future, and which have not failed so far. A planned strategy of an organisation is, therefore, the result of an in-depth analysis of the company's strategic potential, as well as threats and opportunities which might present themselves while facing an uncertain future and a dynamically changing environment. When creating a mission, and later—a strategy, it is essential that senior executives also analyse the social context for the functioning of the company which they lead. In reference to these challenges, scientists and specialists have been continuously emphasising the concept of sustainability as a crucial element of the company's development (an integrated measure of economic, social, and environmental results) [11]. According to G. Iazzolino and D. Laise [12], strategies have to be socially sustainable, creating value not only for shareholders but also for other stakeholders, including employees. Indeed, a strategy needs to take into account not only the strengths of an organisation, but also the requirements and expectations of the environment together with all the stakeholders involved.

The article aims to indicate crucial factors in the area of strategic management, which influences the efficiency of a given company and, at the same time, remain resilient to short-term economic crises. Moreover, the authors attempt to indicate the role and significance of the company's values and its employees' values in the context of the quality of the strategic planning process.

In the first part of the article, the deliberations have been based on the analytical-deductive method with the use of world and Polish sources from the field of strategic management. The second part includes a presentation of the results of studies carried out in one of the largest energy companies in Poland, with a share capital of several hundred million zlotys, and several thousand employees on its payroll. Due to the data availability agreement between the authors and the company, for the purpose of this article, the company shall be referred to as Company ABC. The survey was titled: A study concerning the elements determining the process of strategic management in an energy company, and its authors made an attempt at examining the crucial factors which influence strategic management in this company, including its organisational culture; it included an analysis of

the perception and importance of social values in the process of formulating the company's strategy and the directions of its development in the studied organisation.

2. Current Challenges in the Area of Strategic Management

One definition of strategic management says that it consists of 'making decisions about future directions of actions and implementing these decisions' [13]. Every well-run organisation should have an established strategy. That said, how does one ascertain what strategy in an organisation will be more competitive and will bring greater benefits in the future? Organisational strategy needs to be a kind of plan for the future and to objectively assess the company's current position against its position in the future in order to decide how to get there; taking into consideration options, alternatives, available resources, and necessary changes—this is what Peppard and Ward think [14]. For Rumelt [15], a good strategy is a coherent set of arguments, concepts, analyses, policies, and actions that point to alternatives for a high-stakes challenge. Strategies based on costs have been included in general forms of strategic positioning [16,17]. A strategic advantage usually reveals itself in a unique and difficult-to-replicate area of assets a company owns. These assets may manifest themselves in the form of:

- (1) Physical advantages, (e.g., financial resources, access to a product, specialist technology).
- (2) Highly trained personnel.
- (3) Adequate competitive organisational skills.
- (4) A network of properly built interpersonal relationships based on mutuality and trust [18].

An organisation's strategy will, therefore, be based on those elements which are the strongest and most lasting. However, is it enough to find the strengths of an organisation and build a vision of the future solely on them? When planning a strategy of a given organisation, apart from what is strong in the organisation itself, it is essential to look for strong elements in its environment. Therefore, it is necessary to find common areas in which they function and, for the next step, to adjust in matters of norms and values of joint influence [19]. Stakeholders' expectations from the organisation [12], and the expectations of the society in which it is rooted also need to be considered. After all, skilled employees will come (or not!) from this environment to the organisation; in this environment, new or subsequent orders will appear or, quite the contrary, as a result of a lack of response to society's needs and social values, the number of orders will decrease, just as interest in the organisation itself will. Therefore, apart from indicating the organisation's strengths, when creating the company strategy, it is important to identify the expectations of society and the directions of changes taking place in it. Nowadays, it is not enough to create secure jobs—it is necessary to carry out socially responsible operations that can bring additional value and implement eco-friendly production methods, services, and products. An essential and currently indisputable fact is that organisations achieve better financial results when there is social acceptance for their activities than when there is no such acceptance [19].

Company managers are faced with numerous important challenges in the process of strategic planning. Currently, it will not suffice—as was the case in the 1980s—to concentrate on product quality, on looking for new areas of sales or services. A successful company should manage its strategies in three main areas: (1) the company's internal environment, including assets and possibilities; (2) the external environment in which the company operates; (3) the company's ability to add value to what it does [20]. Thus, besides creating a new product, it is even more important to bring a certain universal added value that the client will be able to obtain together with the product. It seems that today, the customer choosing a product is looking for more than just a material product with its functionality. In the era of product globalisation and unification (the same product can be bought across all continents), it is essential to give a product a certain additional value that will trump its repeatability. A good example is selling electricity as a truly standardised product without any possibility of adding additional distinguishing features for the customer. With immense market competition, placing value within the organisation,

and then convincing and delivering this value together with the product to the client becomes a key challenge in the strategic management of the given organisation. Thus, the organisation should look for an answer to the question of what values should be delivered with a particular product and what values will be well received in the organisation itself.

Today, company managers cannot concentrate exclusively on organisations' internal challenges in certain isolation from the environment; their focus should definitely be equally directed at challenges and exogenous expectations, including transformations happening in the social sphere. Consequently, looking for common features of organisations and society in general, managerial staff have to confront the following main management challenges:

- (1) Internal entrepreneurship (looking for innovation, agility).
- (2) Value orientation (employee's identification with the organisation's values, looking for competitiveness, shared values).
- (3) Integrated structural solutions (creating less hierarchical organisations and in this way cutting costs, ensuring better communication, employee integrity).
- (4) Organisation culture (the possibility to identify with values and features that distinguish the organisation from others) [21].

The management elements described above facilitate creating organisations that are flexible and ready for rapid and frequent changes. All these elements concentrate around values and are established in the culture of a given society, which can be supported with J. Hausner's statement that, 'social existence and values are inextricably intertwined' [22]. Therefore, it seems apparent that strategic management in an organisation should provide the ability to combine a pragmatic approach with the system of values represented by this organisation [23]. This in turn should give an organisation the opportunity to be well-managed and have a well-set course in its strategy. Similar ideas were presented by B. Wawrzyniak, who defined strategic management as, 'a management concept which is based on values characteristic of global orientation' [24]. Alfred D. Chandler, Jr., author of *Strategy and Structure* (1962) defined strategy as, 'the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources for carrying out these goals' [1] while Kenneth Andrews, long-time Harvard professor and editor of the *Harvard Business Review*, describes strategic management as: 'the pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals, and defines the range of businesses the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities' [25].

J. Collins and J.I. Porras, in their book *Built to Last: Successful Habits of Visionary Companies* [26] describe their studies of 18 visionary organisations (among others Ford, IBM, Motorola, Sony, Walt Disney, Johnson & Johnson). They call them visionary, not effective or lasting, as they want to show that these companies have more than just the power to be effective and generate profit—they have a certain universal and enduring power. The authors were looking for an answer to the question of what common features are shared by organisations that have, until today and despite numerous crises and changes, been creating recognisable brands and are huge companies ready to tackle further challenges in their business environment. As a result, the authors rejected the claim that the first and most important goal is maximising profit. The researchers confirmed that core values were the common denominator, and the goals formulated by these companies go far beyond solely generating profit. Thus, they revealed an important ethical dimension of business operation and ensuring company humanisation through concentrating on values [27]. It seems that in the future, such an approach will enable better coping with encountered crises, and at the same time, mastering the skill of formulating and changing conscious and lasting strategies. It should also be emphasised that in the event of a crisis in each organisation, it is the TMT who will make strategic decisions for the company and these decisions will be based on their personal dispositions [28–30].

3. Company Values as an Answer to Social Expectations

When looking for the appropriate strategic management model that would be an answer to contemporary challenges, we should perhaps focus on one that strongly identifies with social values. Such value-based management will strengthen the organisation's identification with the environment, and through shared values, it will always be able to respond timely to the stakeholders' expectations. As A. Maciag points out, company culture, shaped through people's attachment to the organisation and the system of values they recognise, is a priority factor enabling effective company management' [31].

It is worth adding here that in the field of human resources management, certain changes have been taking place recently. The management model, which focused on goals and results, is becoming obsolete; it seems that management by competencies (concentrating on what an employee should be able to do) is also coming to an end. Therefore, the future of management is and will be the appreciation of corporate and employee values. After all, values are a kind of signpost, certain guidance for the assumptions and decisions people make. Consequently, it can be stated that behind all kinds of important but also insignificant managers' decisions lie their personal values [32].

Values in organisations and their key role in management have slowly been discovered for many decades. Even 20 years ago, it was enough for a company to have departments dealing with work health and safety. Today, the CSR department describing a given organisation's efforts to help children's homes or hospitals often does not satisfy the market's or the clients' expectations concerning the company's responsibility to the stakeholders and society. Another step on the way to values in an organisation seems to be the concept presented by M.E. Porter and M.R. Kramer, called Creating Shared Value (CSV) [33]. This means a specific path for an organisation: at first, companies impacted society through philanthropy, then—through corporate social responsibility, and now they do it through creating shared values with employees and the social environment.

In managing an organisation and planning its strategy, the key factor is human resources. If the employees strongly identify with their company's values, they will become a part of it and will achieve above-average results for its benefit. K. Blanchard and M. O'Connor write, 'people united around shared values and missions achieve extraordinary results' [34]. They point to the fact that, 'there is good in people which reveals itself when together they mobilise energy to serve something bigger. Values—if only people have the opportunity to choose them—have the potential to become something like this' [34]. As a result, by concentrating employees in a given management model around shared values, the organisation can not only elicit additional energy, but also allow the employees to find deeper meaning in their work, and ultimately even a sense of accomplishment and happiness, which will, in an obvious way, translate into their commitment and work in the given organisation.

Values and their place in an organisation have been noticed not only by management but also by company employees. A. Blikle [35] points to a transformation in the expectations in the employee–employer relationship, based on the change of needs they both have toward each other. Not so long ago, the employer was only expected to pay for the work done. Today, due to a change in social needs, something more is expected from official relationships; these are needs for values not only communicated but actually met by organisations.

In Figure 1, under 'Needs for benefits', there can appear violence and a lack of trust, under 'Needs for values'—in order for love, friendship, acceptance, and behaviour patterns to appear there needs to be an atmosphere of mutual respect, trust, and cooperation [35]. Such values, such a work atmosphere, and such employers are looked for by qualified employees today.

Currently, a change in the expectations in employee–employer relationships can be observed. The existing employee's needs, classically interpreted in, e.g., Maslow's pyramid, i.e., the need for respect and recognition, have already been satisfied. With the change they

have experienced, the employee now wants fulfilment on the top of these needs, i.e., in the sphere of personal fulfilment, and expects accomplishment at this level in the organisation.

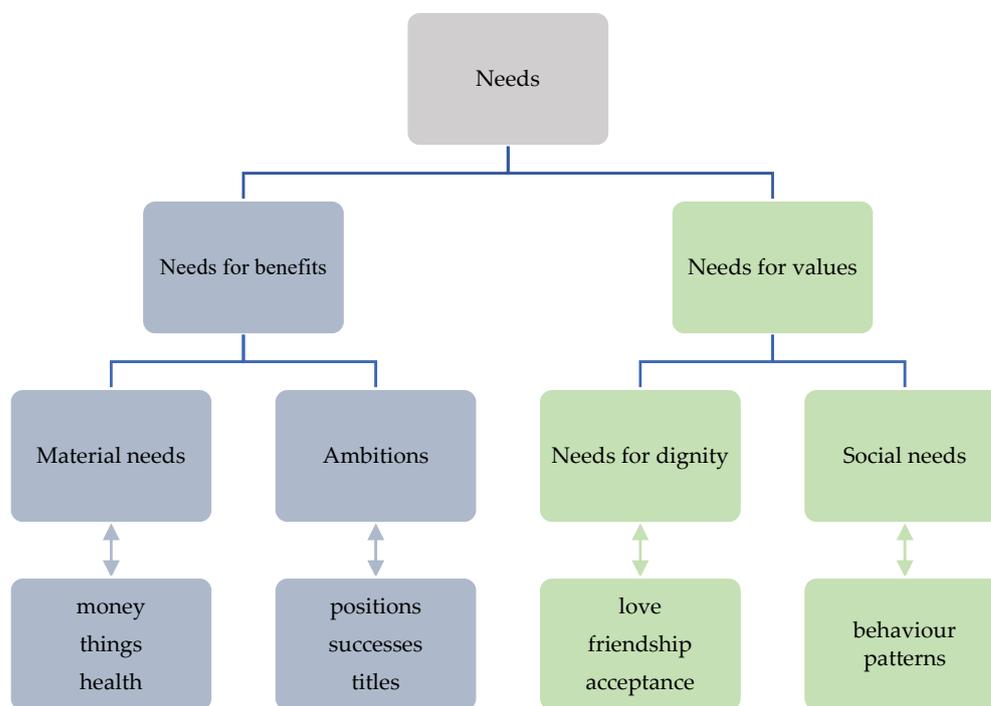


Figure 1. Classification of needs according to A. Blikle [35].

Concentrating on values in the organisation benefits not only the employee but also the organisation. Based on analyses and years of research into large organisations, J. Collins and J.I. Porras prove that not profit goals but instead strong identification with clearly defined values have allowed these organisations to survive numerous economic crises and to grow in strength for decades [26]. Today, it is not always necessary for an organisation to become bigger and bigger in terms of the number of employees or the amount of profit they make. This direction of development may in fact impede agility and adjustment to fast changes in the competitive market. As S.L. Dolan, B.A. Richley, S. Garcia, and T. Lingham remark, ‘in the past, the advancement of any entity (a person, an organisation, or society) was initially determined by its ability to become bigger, richer, or faster. In today’s global arena and in the face of corporate scandals, wars, and natural disasters, progress and success are measured not by the ability to manage greater complexity, but by what the essence of our humanity is: our values’ [36]. Therefore, the key to strategic management will be those values that resonate with society and give a deeper meaning to work. It is worth noting that a company does not own or create its own internal values [37]. An organisation’s values are a product of internal and external culture-forming factors and social environments from which the employees of the given organisation come.

4. Materials and Methods

In order to identify the influence of social values as a factor determining the efficiency of managing the strategic dimension in an energy company, at the first stage of the study, the authors devised a research tool in the form of a survey questionnaire. The work on the questionnaire followed a critical analysis of the literature on the studied topic. The research tool was externally verified by an expert for its usefulness. The authors communicated their desire to carry out the research to all five energy sector companies operating in the area of energy distribution in Poland. Only one of them expressed their readiness to cooperate within the scope of the proposed scientific research. This company, for the purpose of the

article, is referred to as Company ABC, is one of the largest energy sector companies in Poland with a share capital exceeding 100 million euros.

It is pointed out that top management is responsible for formulating and resolving key problems related to the development of an organisation [38,39]. However, there are indications that formulating and implementing a strategy should involve personnel at all levels, see [40]; therefore, after identifying the mechanisms connected with decision making in the strategic dimension of this company, it was decided that the TMT was the main actor responsible for strategic decisions. Therefore, the study was planned among the managerial staff (team n-1 and n-2) directly under the board of Company ABC. According to the agreement between the company and the study authors, permission was granted to send the survey questionnaire to all the company TMTs (selected target sample) and an appointed person from the studied organisation acted as an intermediary in communication. The study was carried out in the second half of 2021 and at the beginning of 2022 with the use of the CAWI (Computer-Assisted Web Interview) technique, consisting of sending to selected respondents an active link to a survey questionnaire and collecting the data electronically. The research results are based on a sample of 22 respondents, out of whom 9% were women, and 91% were men. It should be emphasised that the research process may be characterised by certain limitations stemming from the respondents' subjectivity and a lack of full knowledge of the researched areas. The questionnaire consisted of 13 questions, one of which included 7 additional questions. Four questions concerned socio-demographic characteristics (metrics) and studied: age, work experience, education, and sex. Questions other than those related to metrics were devised according to the Likert scale—in this case, a scale from 1 to 5 [41]. The authors decided there was no need to introduce a more detailed scale for this study.

Having analysed the data collected from the completed questionnaires, the authors decided there was a need for in-depth analysis of the problem as the survey presented very interesting results which required certain clarification and further study. Therefore, in the second stage, a study was carried out with the use of the qualitative method, consisting of individual in-depth interviews and collecting free answers to the same set of questions prepared for the same group of respondents as in the first stage of the study. In this way, seven answers to five open questions regarding the influence of the system of values on management and strategy in the studied company were collected. The five questions asked at the second stage of the study are presented in Table 1, and the answers are quoted together with the survey results below.

Table 1. The set of five open questions used in the second stage of the study. Source: own study.

Question Number	Question
1	In your opinion, will management based on a clear system of values influence a better understanding and shaping of the future and development of a company?
2	In your opinion, should values regarded as important in society be considered in company management and manifest themselves in the formulated strategies of the company? If yes, what are the reasons for it, in your opinion?
3	In your opinion, is a clear system of company values and a strong organisational culture of essential importance for the effectiveness of the management process? In the event of a positive answer, please indicate a few key reasons and justify this fact.
4	Please verify the statement about the importance of values regarded as universal in social life. In the event of a positive answer, please describe how, in your opinion, universal values influence managing the organisation in which you are employed.
5	In your opinion, should values represented by society be taken into consideration in managing a company? If yes, why is that?

Due to its operations, size, range, thousands of employees, and elaborate structures, the organisation in which the study was carried out formulates strategies for many years and its visions extend as far as the year 2030. These strategies are corrected every few years.

Company ABC has also defined its key values relating to, among others, relations with clients and striving for continuous development.

5. Results

The first question in the questionnaire concerned the influence of a selected factor on strategic management in Company ABC. The set of factors was established on the basis of the literature and took into account the values factor, which was essential for the researchers in this area of study.

The results presented above (see Figure 2) suggest that all the indicated elements have a significant and very significant influence on strategic management in the studied company. Only for 2 factors, i.e., 'knowing the values the company identifies with' and 'the corporate social responsibility of the given company', 9.1% and 4.5% of the respondents, respectively, indicated that the influence of this factor was of little significance. Considering the sum of responses for points 4 and 5 on the scale, the factor 'opportunities for developing employee competencies' was the most important for managers—in this case, the sum of responses as a percentage for ranks 4 and 5 was 100%. The factor 'establishing a goal/goals for the company operations and possible monitoring and correction of the goal/goals' (95.5%) together with the factor 'communication inside the organisation' (95.4%) ranked number two in Figure 2. As the third most important factor, respondents indicated *ex aequo*—'management flexibility (adjusting methods and forms to the changing conditions of the business environment)', 'knowing the values the company identifies with', and 'ensuring the development of organisational culture'—all of them at the level of 90.9%. According to the respondents, the least consequential factor was, 'the corporate social responsibility of the given company' (63.6%).

The next question of the survey included the issue concerning the influence of the organisation's values on strategic management and the impact these values have on the future and development of the organisation (see Figure 3).

The respondents pointed out that values have a great influence on strategic management, in this case, the sum of responses for ranks four and five was 63.7%. Therefore, the surveyed managers confirmed that the company's identification with values is of prime importance for the company's strategic planning. Nearly 2/3 of the respondents believe that the values the company holds have a significant and very significant influence on the future and development of the organisation. Only 1/4 of the respondents did not have any opinion on this question or thought that the influence was moderate, and only 4.5% of the respondents stated that the organisation's values had no influence on strategic management.

Apart from the values the organisation identifies with, the employees' values, which determine the choices made by managers, also play an important role. The values of a manager and the values of the company are of key importance for making business decisions and they determine the directions of the organisation's development. Another study confirmed the considerable influence of the employee's personal values on changes in organisational culture, which significantly shapes strategic management, see [42,43]. Therefore, this issue was also investigated by asking whether knowing the employees' values influenced the organisation (see Figure 4).

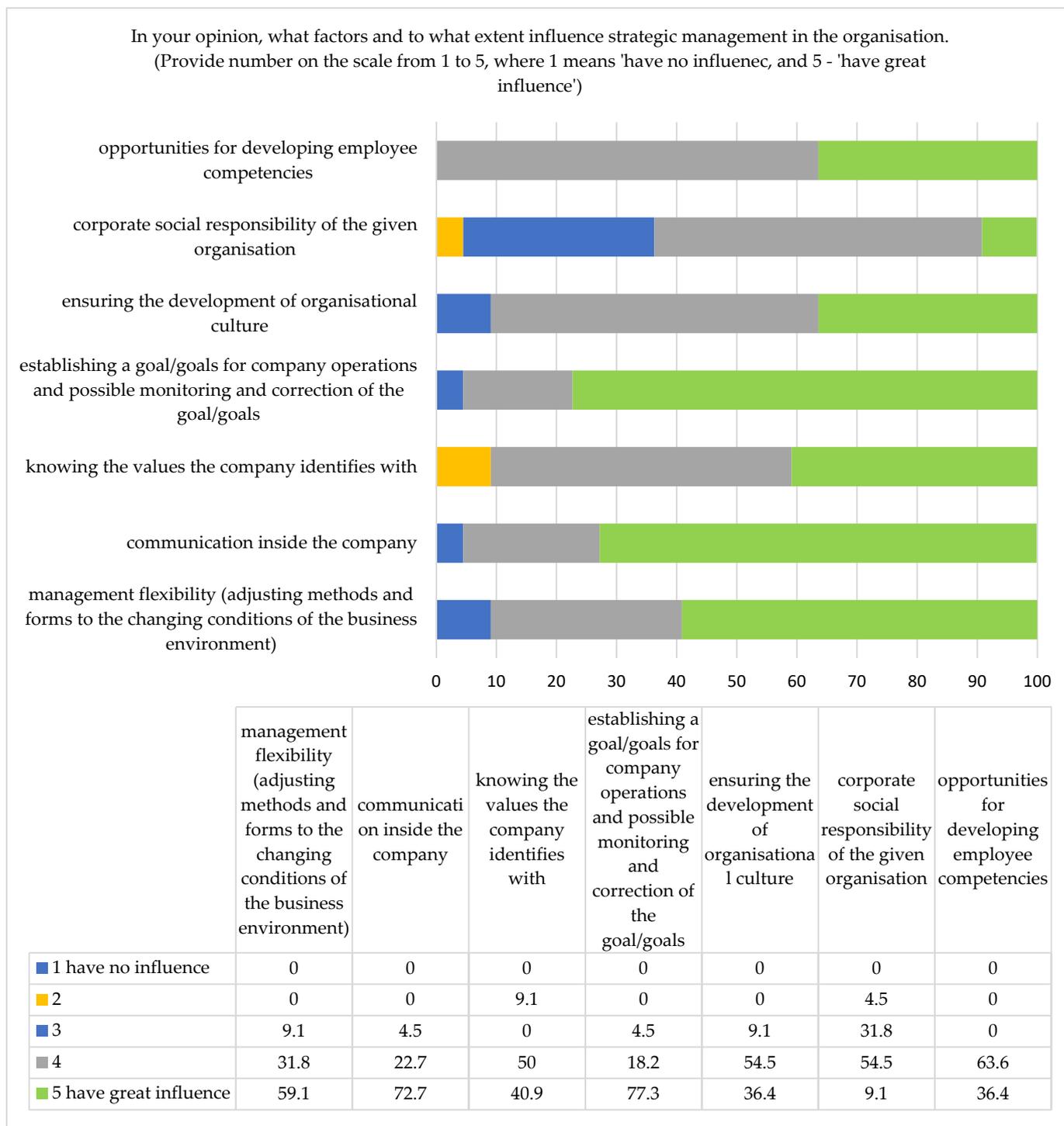


Figure 2. The influence of a given factor on strategic management in Company ABC. Results are given as a percentage [%]. Source: own study based on conducted research.

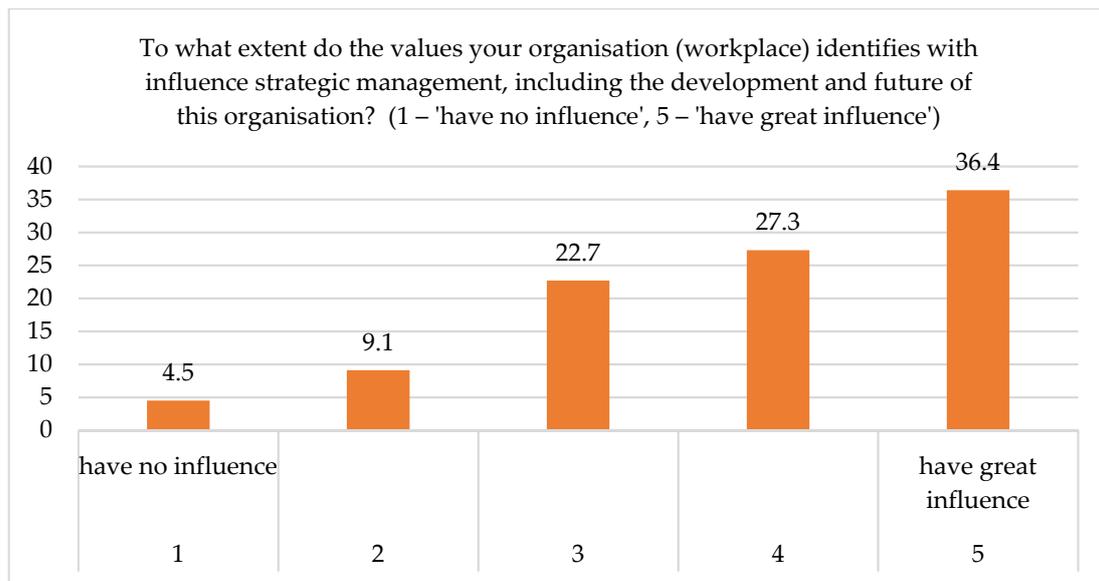


Figure 3. Organisation values and their influence on strategic management. Results are given as a percentage [%]. Source: own study based on conducted research.

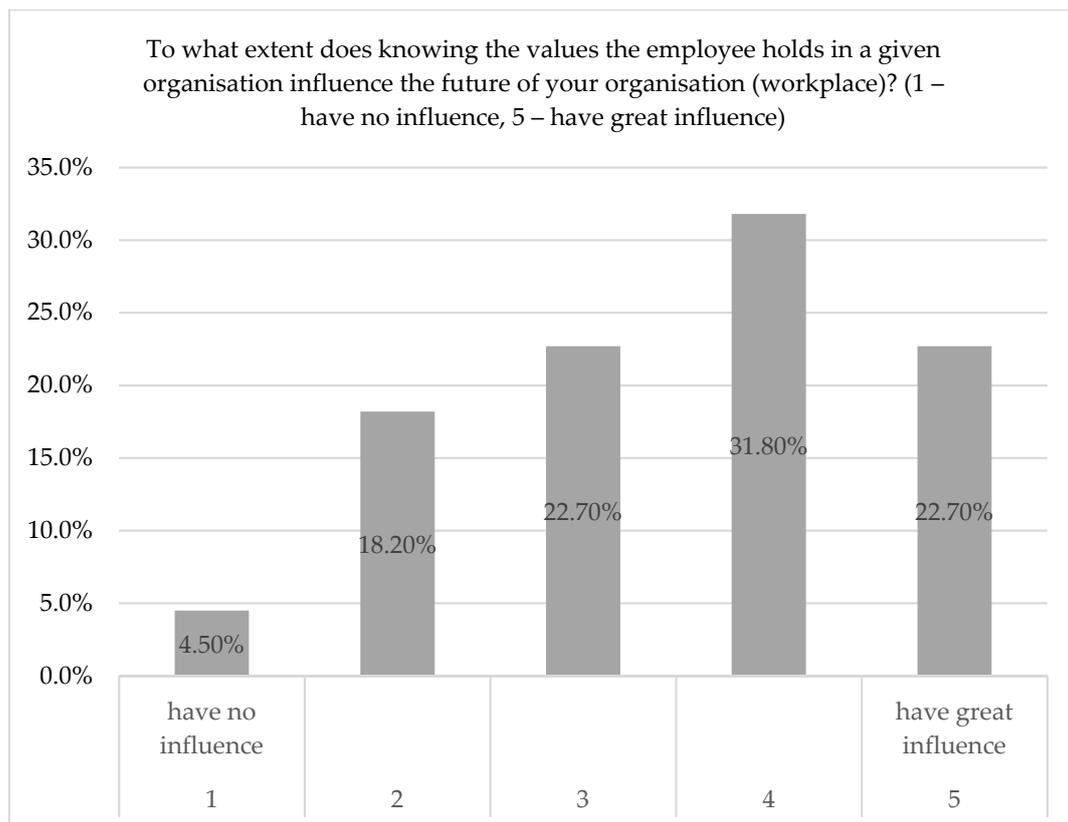


Figure 4. Employee's values and their influence on the organisation's future. Results are given as a percentage [%]. Source: own study based on conducted research.

The respondents' answers confirmed these assumptions and it turned out that over half of those surveyed declared that the influence was significant or very significant (the sum of responses for ranks four and five). Less than 1/4 of the respondents (the sum of ranks one and two) stated that knowing these values did not have any influence on the organisation's future. Every fourth person (22.7%) indicated that the influence was

moderate by choosing point three on the scale. The employee's personal values influence the culture of a given organisation as this culture is shaped by the values brought into the organisation by its employees. During individual interviews, when one of the managers was asked the question: 'In your opinion, should values regarded as important in society be considered in company management and manifest themselves in the formulated strategies of the company?', he answered, 'A large energy sector company needs to be aware that it does not exist in a vacuum and that it impacts its social environment, therefore, it should also consider this stakeholder in its activity by, for instance, considering the most important values in this environment.' Another manager said: 'Yes, a company like ours serves socially important functions.' Additionally, another observed that such behaviour, 'enables the employee to identify more with the company'. Therefore, the respondents in their answers to open questions confirmed the importance and significance of social values in strategic management.

When presenting the results from the next question, it is important to define the abbreviation MBV used in this question. The acronym stands for managing by values, a subject described in the book titled *Managing by Value* [34]. The questionnaire included the question: 'To what extent do you think managing by values (MBV) influences the development of your organisation (workplace)?' (see Figure 5). Exactly 50.0% of the respondents said that managing by values has a significant or very significant influence on the development of the organisation (positions four and five were chosen on the scale). It is worth noting that the answer to this question was frequently position three—in the middle on a Likert scale. The rank for this answer was chosen in 36.4% of cases. Thus, more than 1/3 of managers think that managing by values has a neutral influence or they do not have an opinion about this matter. However, most answers point to the significant influence of managing by values on the development of the organisation.

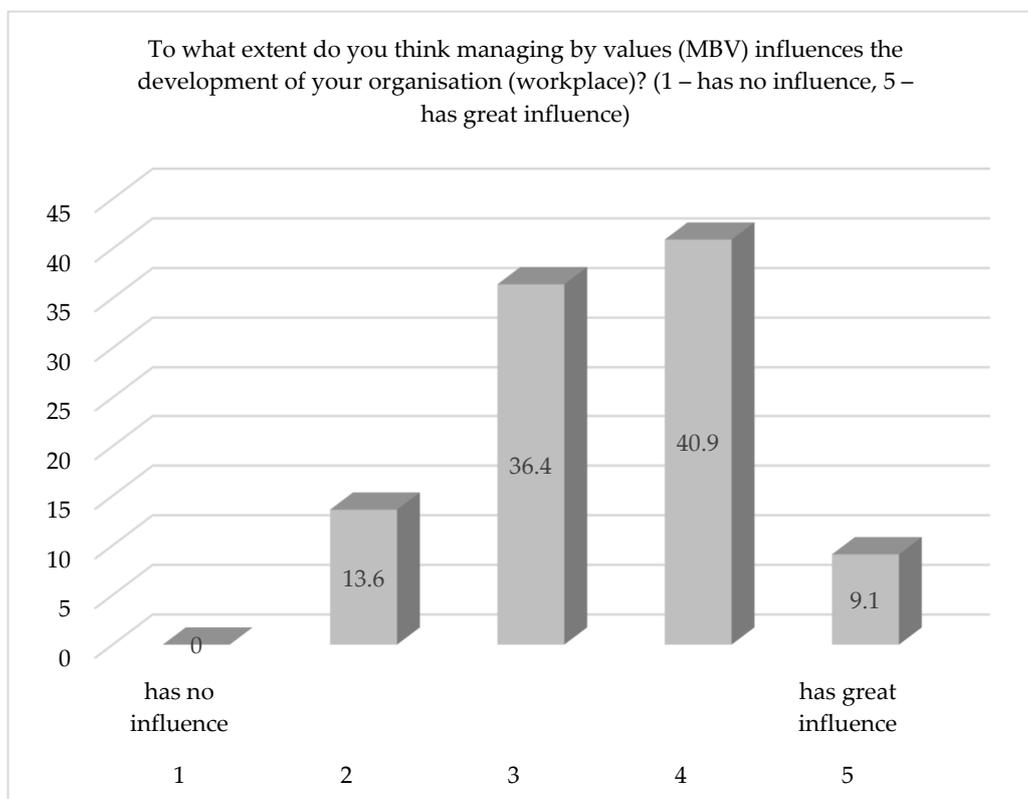


Figure 5. The influence of the managing by values model on Company ABC. The results are given as a percentage [%]. Source: own study based on conducted research.

Organisational culture creates a space for change and innovation: ‘although strategy, presence on the market, and technology are undoubtedly important, companies which have been exceptionally successful capitalise on the power inherent in the unique character of their organisation’s culture’ [44]. Similarly, J. Machaczka says: ‘numerous examples prove that the lack of adjustment in terms of strategy, structure, and organisational culture leads to decreased efficiency and effectiveness of a company’ [45]. Therefore, managers’ perception of the influence of organisational culture on strategic management was also taken into account when studying the determinants of efficient strategy management of a company (see Figure 6). Nearly 2/3 of the respondents (63.7%) decided that organisational culture had a significant or very significant influence on strategic management. Only 9.0% of the respondents decided that organisational culture had very little or little influence in the context of strategic management.

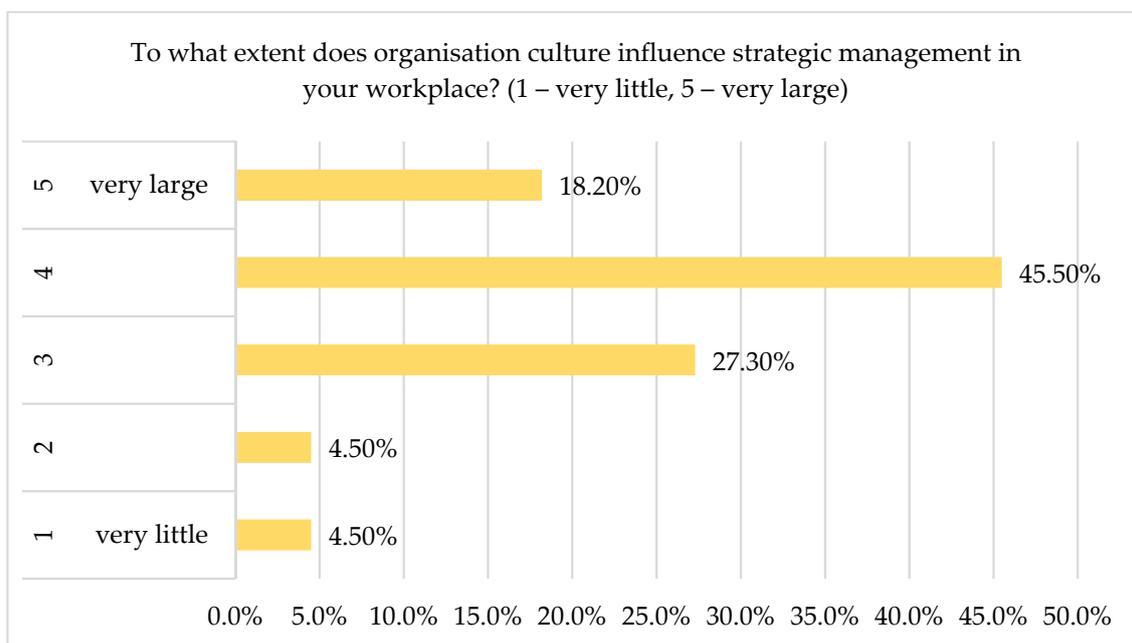


Figure 6. The influence of organisational culture on strategic management. Source: own study based on conducted research.

When analysing the culture of a given organisation more deeply, it is also worth examining how the organisation’s culture takes into consideration the values which the employees bring into their organisation. A question about this matter was included in the questionnaire—see Figure 7. As it turned out, most respondents chose answer three on the scale, which means that 36.4% of them do not know whether their organisation’s culture takes into consideration the employees’ values or they assume that their organisation’s culture takes the employees’ values into consideration to a moderate extent. Another 40.9% of the respondents decided that organisational culture takes the employees’ values into consideration to a large or very large extent (points four and five). Only 22.7% of the surveyed people decided that internal organisational culture took the employees’ values into consideration to a little or very little extent. When asked the question: ‘In your opinion, are a clear system of values of a company and a strong organisational culture of essential importance for the effectiveness of the management process?’, managers answered without hesitation: ‘Yes. It enables a stronger bond between the employee and the company, stronger identification, better work, and greater involvement’; ‘Yes, the values known and understood in the organisation justify the directions of making business decisions’; and ‘Yes. The stronger the machine structure is, the more effective and lasting it is—the same is true of values.’

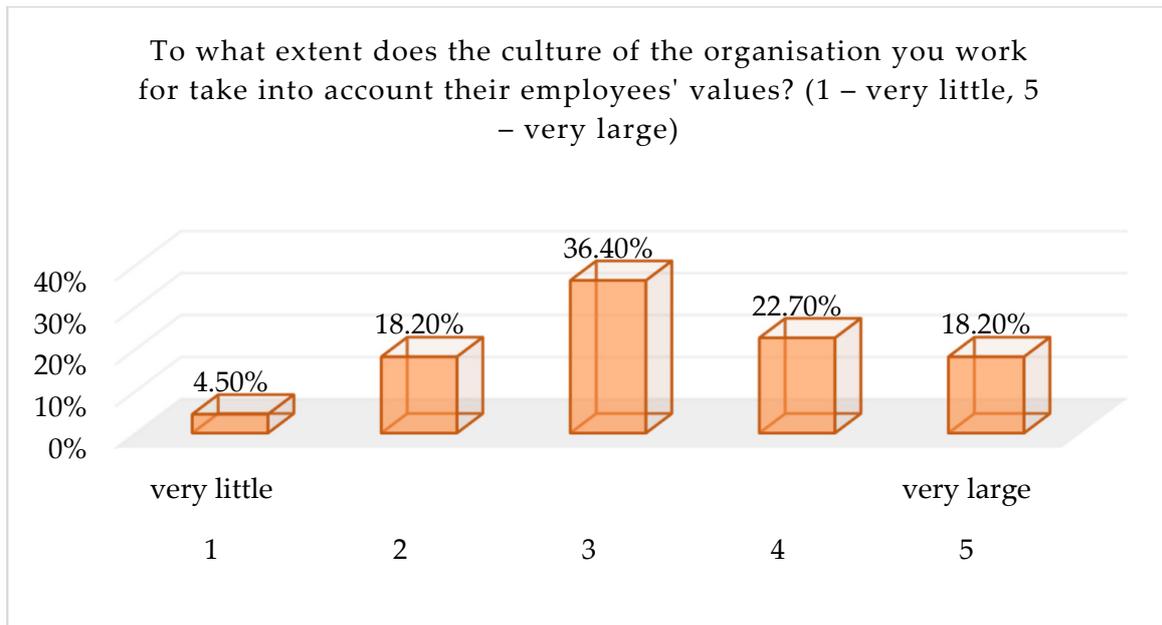


Figure 7. Employee’s values in the organisational culture of Company ABC. Source: own study based on conducted research.

As mentioned above, organisational culture and the power of management strategy are strongly connected with changes happening in society. It is important that the changing values around the organisation—in society—are periodically analysed and included in the company strategy so that the company can identify with its stakeholders through shared values and compete with other organisations through particular ‘social sensitivity’.

The survey study also included a question for Company ABC’s top management about that opinion. The study results (see Figure 8) showed that a little more than 1/3 of the respondents (36.3%) decided that the changing values in society have very little or negligible influence on management in the organisation. On the other hand, 1/4 of the people surveyed stated that influence was large or very large. Slightly more than 1/3, i.e., 36.4%, said they had no opinion about this matter or that the influence was moderate. Interestingly, all the women in the studied group chose points four and five—so the study suggests women’s essential sensitivity to the importance of values in society. Gender parity at the top management level is, therefore, so crucial and desired in management (even in heavy industry—including energy—companies).

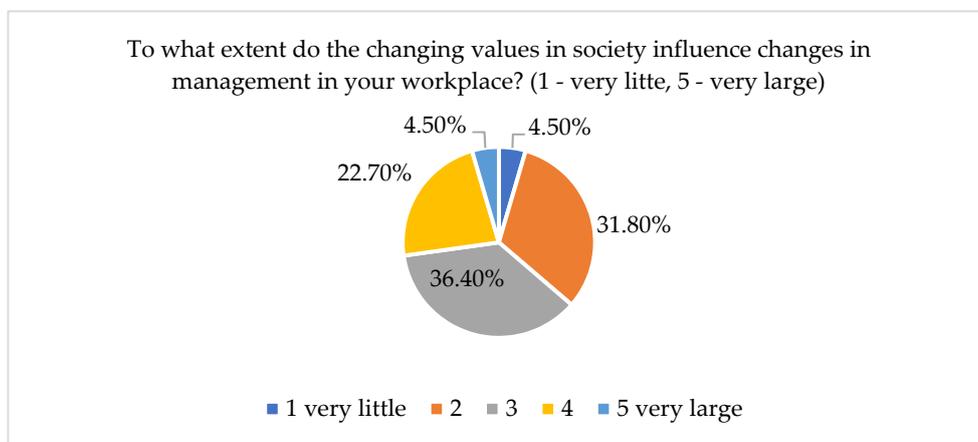


Figure 8. The influence of changing social values on managing Company ABC. Source: own study based on conducted research.

Another survey question concerned the concentration of managing in Company ABC in relation to two spheres: employees' potential and the organisation's asset potential. It might seem that in an energy company with a share capital of several hundred million zlotys, a concentration on assets and their potential is dominant in comparison with the focus on employees' potential. It may also appear that the strength of Company ABC lies mostly in its capability to generate electricity and deliver it to households, yet as many as 13.7% of managers decided (see Figure 9) that managing concentrated more on the employees' potential than on asset potential in this organisation. A total of 18.3% of the surveyed employees decided that managing concentrated exactly between these two spheres of employees' potential and the asset potential of the organisation. More than half of the respondents (59.2%) chose point four on the scale—closer to the asset potential—recognising, however, that choosing point five (concentrating exclusively on the assets of the organisation) would not be the right choice. Only 8.8% of the surveyed managers said that managing concentrated solely on the potential of the organisation's assets. These results (Figure 9) show that important changes in the perception of management have taken place in large companies in the heavy industry sector. Only 30 years ago, management concentrated mainly on improving the quality of products and managing the company's assets. Today, it turns out that the employee's potential is particularly appreciated. A.M. Zawadzka describes such an approach in an organisation: 'a "brand" organisation means good quality of staff management, a humane way of thinking about employees, and seeing more—including the consumer in the organisation and stepping outside the old school of quick profit as the basis for effective functioning of an organisation' [42].

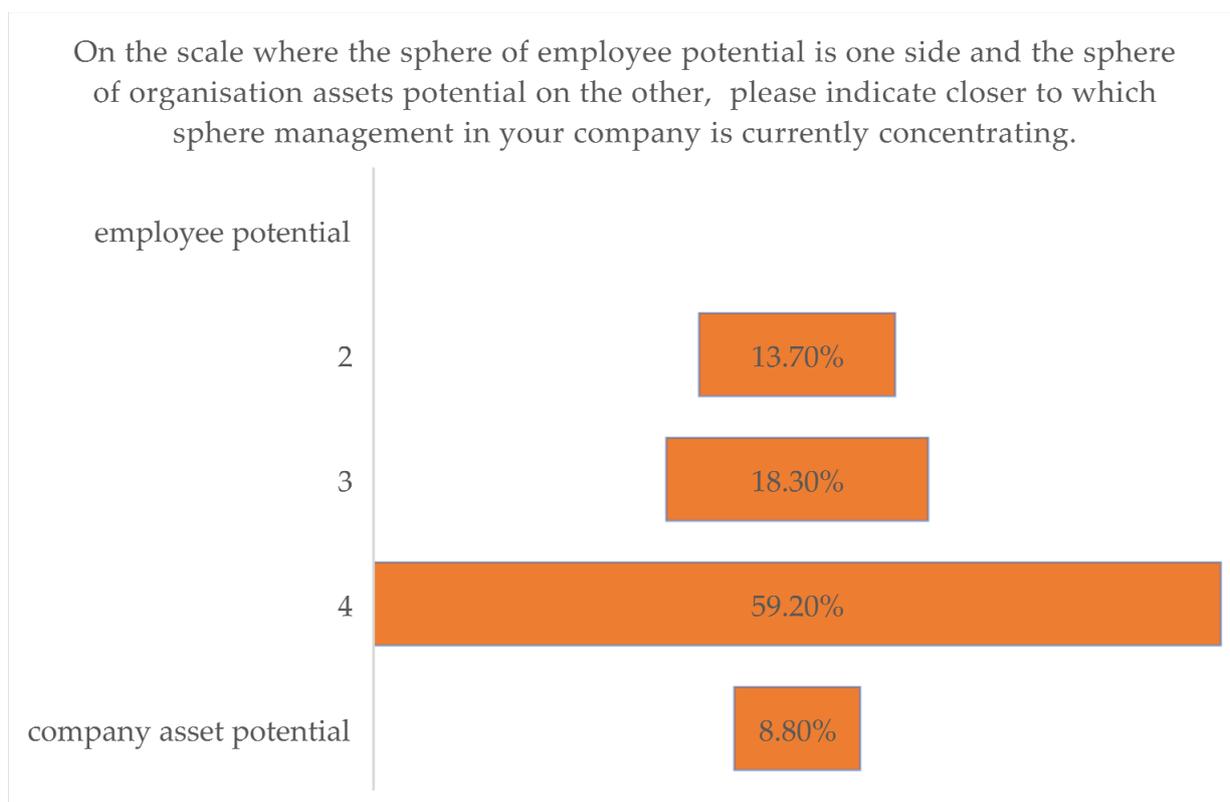


Figure 9. Concentration of management on Company ABC between two spheres: employee potential and organisation asset potential. Source: own study based on conducted research.

The last survey question was, as earlier, an attempt at finding the concentration of managing between two extreme areas: ‘power and control’ and a ‘system of universal values’ from the perspective of top managers. In this context, the term ‘power and control’ means an emphasis on the power of hierarchy in managing a company, frequent controlling and checking employees, and concentrating decision-making at the top of the organisation’s hierarchy. On the other hand, the ‘universal values system’ means delegating decision-making to the lower levels of the hierarchy, greater trust towards the employee carrying out their tasks, and delegating responsibility to the lower levels in the company structures. None of the respondents indicated that management concentrated only on the system of universal values and away from the area of ‘power and control’. Most of the people—see Figure 10—(36.4%) chose point three on the scale, which was at the midpoint between these two areas. More people (27.3%) chose point four (closer to the system of universal values) than point two (13.6%) closer to the area of ‘power and control’. Nearly 1/4 of the respondents (22.7%) chose point one—concentration only on the area of ‘power and control’. During individual interviews, one of the managers added: ‘If my workplace recognises the universal values which are important to me, it is easier for me to work there. I cannot imagine working in a place where managing the organisation is based on values contrary to my system of values’. Another employee of the company said: ‘Functioning in a social space, a company cannot stay indifferent to the issues of universal social values. Social conditioning needs to be taken into consideration in the model of managing such a company’.

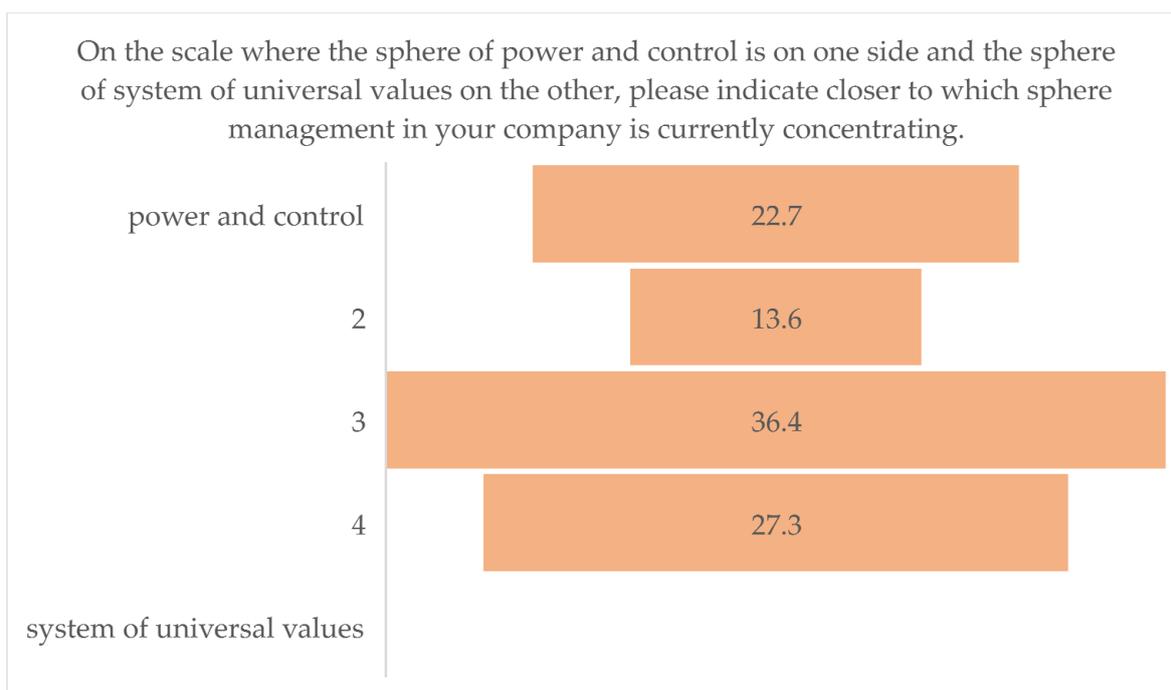


Figure 10. Concentration of management in Company ABC between the spheres ‘power and control’ and ‘system of universal values’. The results are given as a percentage [%]. Source: own study based on conducted research.

6. Discussion and Conclusions

The study conducted in Company ABC in the context of strategic management has shown the great significance of values and the organisational culture they create. Planning the future of the organisation, the company managers analyse social changes and concentrate on the role of assets and skills in shaping competitiveness, as well as the future strategic potential of the company. The study points to already well-established tendencies, as well as new directions of strategic management that only emerged at the end of the 20th century. It was at that time when G. Hamel and C.K. Prahalad’s concept was being

formed, which focused strongly on emphasising the role of internal organisation assets [46]. According to this concept, when making key strategic decisions, the organisation should concentrate more on what it can offer to society, and less on what the environment can provide for this organisation [47]. The proof of this statement can be found in the results of the research carried out at the stage of in-depth interviews. The answers given included this quote: ‘values (. . .) should be considered in managing the company, as no firm functions in a vacuum, but in a specific environment, also social. Taking values into consideration enables better identification of the company in the environment.’ This is all the more important in a company that provides services of key importance for society, which can be found in another statement saying: ‘they (these services—authors’ note) cannot be provided in a way which is good for society in isolation from the values represented in this society.’ Such an approach in management concentrates on human assets, on values people bring into the organisation, and on the potential of organisational culture, which is capable of creating the strength of a given organisation. The studies have indicated significant determinants in the area of strategic management (see Figure 11), which are the integrity of the culture, an individual, and the structure of the given organisation, and shown that, ‘a company’s success depends on its social balance and participation in achieving both economic and social goals, and not only on its productivity, innovativeness, and economic efficiency’ [47].

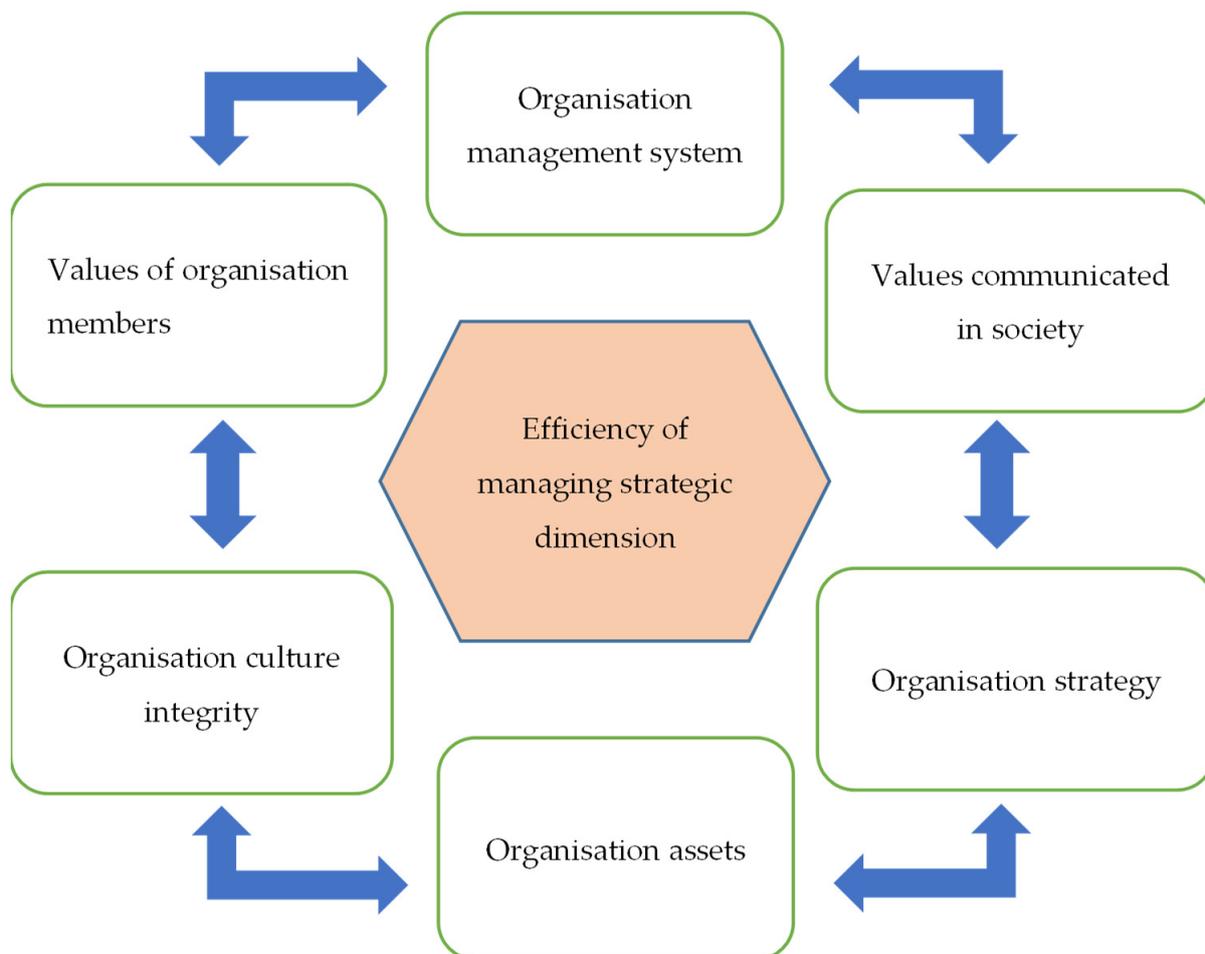


Figure 11. Efficiency of managing the strategic dimension. Source: own study.

The graphics above is a kind of a summary of the deliberations and the analysis of the conducted studies. It shows the interactions that take place in organisations. As can be seen, there are many aspects that influence managing the strategic dimension. Factors that mutually influence one another and influence the efficiency of strategic management directly or indirectly include: the assets, the strategy, culture integrity, members’ values, the

managing system in the organisation, and the values present in society. It is up to the team managing a given organisation to decide which of the above factors will have a greater impact on the other elements of managing an organisation. However, it should always be remembered that, as U. Kachru emphasises, ‘strategy implementation requires galvanizing the organization employees and managers at all levels to turn the formulated strategies into action. An excellent strategy that is poorly executed will yield the same poor results as a bad strategy’ [48].

Summing up the conducted study, it should be noted that a good direction for maximising the economic value of the company, also in the case of the heavy energy sector, is a direction based not solely on the strength and potential of only the assets of the organisation, but also, or perhaps chiefly, on the strength and potential of the integrated assets of the entire company, taking into consideration the social expectations and those values employees bring into the organisation. The carried-out research supports this thesis in an obvious way, thus challenging the management to analyse those values and include them in their decisions, as well as in the context of endo- and exogenous factors of the company’s environment. The research is, therefore, a new and essential perspective on such a delicate matter as social values in the energy sector for whom material assets and a high degree of organisational hierarchy and formalisation are of key importance. It can also undoubtedly become a starting point for more extensive research in this area.

Another important conclusion from the carried-out research shows the great importance of values in such a large organisation as Company ABC. So far, it has been believed that values in strategic decisions are important mainly in small and medium enterprises (SMEs) [20]. Moreover, the research has shown that sensitivity to values in the area of strategic management among TMTs is greater in women than in men, which, in practical terms, stresses the necessity to pay even more attention to gender parity in TMTs as only then will this essential view be retained.

The research points to the need for carrying out change analyses in the sphere of values in society as well as among TMTs. It is worth considering whether during the process of recruiting candidates for key strategic positions basic values should be tested or/and regular analysis of changing trends in values represented by a given society should be carried out, so that the company can relate to those values in its products or services, thus identifying with its partners. Such an action strategy would undeniably strengthen the given company’s competitiveness and its social image.

To sum up, as the result of the research carried out in the ABC Company, which is active in the energy sector, a few significant conclusions have been formulated:

- (1) For the design of the future directions of the changes and the strategies of an enterprise carrying out its activity in the energy sector, it is vital to include the current social changes into the planning process;
- (2) Social changes make up a vital factor defining the role of specific assets and abilities of an organisation, influencing the competitiveness of an enterprise carrying out its activity in the energy sector;
- (3) In the process of taking strategic decisions, TMTs should take into consideration the changes taking place in the system of social values;
- (4) The values represented by a given society constitute a significant element that should be taken into consideration in order to guarantee multidimensional integrity of an organisation.

Apart from the organisation’s assets, the social expectations and the values brought into the company by its staff plays a significant role in the maximisation of the economic value of an enterprise within the energy sector.

The conducted study allows us to draw conclusions concerning the influence of values on the efficiency of strategy and generating the development potential of one of the largest companies in the energy sector in Poland. The study does not yet allow verification of the theory concerning the importance of taking into account social and universal values as determinants in the area of management strategy of an energy sector company in Poland.

Nevertheless, it can be concluded from the study that considering these aspects in further research is necessary. In the future, it is reasonable to carry out further research on other companies in the energy sector in Poland, as well as other countries, to be able to identify the significance of universal values in relation to strategic dimension management on the basis of this research.

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