

**Eli Haim HANI**  
*Alexandru Ioan Cuza University of Iasi*  
*Doctoral School of Economics and Business Administration*

# THE EFFECT OF MANAGERS' VALUES ON BUSINESS SUCCESS

Case  
Study

---

## Keywords

*Marketing;*  
*Business performance;*  
*Business success;*  
*Start-Up companies;*  
*Key factors for business success;*  
*Business management;*

---

## JEL Classification

*M13; L25; M31; M21*

---

## Abstract

*The primary aim of this research is to identify the influence of managers' values on business success. This study is based on in-depth interviews with 15 senior executives from Israeli international industry. Content was analyzed to reveal factors affecting success. In addition, the research uncovered several additional key factors such as marketing knowledge, sales skills and team quality, each closely associated with business success. This work is the third to incorporate factors most affecting business success and should help entrepreneurs and or managers leading such organizations take actions to increase their chances of success.*

## INTRODUCTION

CB INSIGHTS magazine reported in 2021 that 70% of startup technology companies in the U.S. typically fail about 20 months after the first round of funding (with about \$ 1.3 million in total funding).

In addition to the various difficulties and challenges facing company heads, in 2019 another new challenge began, namely Covid 19 which caused many businesses in the world to close, these are those businesses whose financial capacity did not allow them to overcome the consequences of the epidemic. As of August 31, 2020, about 163,735 businesses in the U.S. had to close. This is in addition to the 180,000 businesses that closed right at the beginning of the epidemic. And the figure grew during the first six months of the epidemic and reached 97,966, these constitute 60% of those who closed and would not agree to reopen. (CB INSIGHTS, 2021).

The findings of the research showed that one of the critical factors for business success is "manager values", the concept "values" includes components of determination, perseverance, charisma, and pleasantness.

These values in fact constitute a basic factor of business success.

This research seeks to explore and identify the common denominator of entrepreneurs' views and perceptions about business success and identify the influence of manager's values to business success as a part from a marketing model that developing to direct entrepreneurs and company executives to making smart decisions during the first five years of activity.

## LITERATURE REVIEW

While "values" may sound like something abstract and irrelevant, at the business level they play a crucial role in shaping our work environment and ways of working, formulating marketing and customer service strategies, and they even affect business models and daily schedules.

Values are ideal standards based on worldviews with regard to issues of justice, morality, truth, aesthetics and more. Values determine what is right and proper in a particular society.

In the business aspect, values are the professional, personal, qualitative and quantitative standards we want to apply and maintain in our business. Consequently, values play a key role in formulating marketing strategy, but also in everything related to methods of working with customers, promotion and advertising procedures and more.

In fact, values are at the heart of the business and they serve us as a roadmap for its day-to-day

management and operation, so it is highly worthwhile to invest thought and precision in them. They can be part of creating a business credo, formulating a marketing strategy and even designing our contents and channels of action in front of the target audience in terms of customer service, pricing and more.

Business values can be diverse, such as:

- Meticulous attention to detail - maximum attention to every detail in the business
- Professionalism and up-to-date approach - learning new techniques, improving, and keeping up to date with new information in the market
- Personal and friendly customer service - being available in a variety of ways and over a wide range of hours, to provide customer-oriented service and personal treatment. Getting to know the customers in person.
- Not compromising on product quality - choosing the best suppliers, the best raw materials.

Alongside business values, there personal values accompany our life, serving as landmarks and milestones for the behavior you choose in different situations. Personal choices play a crucial role in creating a business. If entrepreneurs ask themselves questions like "what is important to me, personally?", they will be able to design the business in their own image and according to their particular needs.

There is an endless list of values. Below are some of the key personal and business values:

**Humanistic values:** kindness, love for others, caring, intimacy, compassion, coexistence, enlightenment, fairness, loyalty, giving, equality.

**Personal / intrinsic values:** justice, truth, creativity, courage, optimism, faith, choice, happiness, enthusiasm, perseverance, family.

**Relational / external values** (values that place us in relation to others): wealth, prestige, image, superiority, access to resources, influence, control, management, leadership, centralization, differentiation.

Values are a significant tool in attracting the right people into life. They help to accurately define life circumstances and make work much simpler through representing the inner world, needs and desires, outwardly. When entrepreneurs tell, describe and communicate their values, people who identify with them (and therefore are good potential customers) approach more and get a 'boost' towards working with them. When entrepreneurs apply their values, there are noticeable results in the field and customers make recommendations to their friends and acquaintances so that word of mouth marketing takes place.

Alongside this, precise values help to 'filter' an irrelevant target audience and such that will not

connect to the entrepreneur's messages. After all, not all the people in the world can be one's customers, and more than once will and entrepreneur have to filter the problematic customers out, by preventing them, in advance, from contacting him/her (Tal , 2017).

Values affect the development of our products and services as well as day-to-day operation of the business. They affect marketing and attracting the right customers to the business.

One of the leading values is transparency and fairness - this value will define many actions that entrepreneurs do in the business: Do they give a discount only because a customer asked, since it would not be fair to other customers who did not ask for a discount and paid a full price.

Values affect business management: A fitness trainer one of whose values is dynamism or diversity - will produce a training program that changes daily, whereas a fitness trainer for whom stability is important - can produce regular long-term training programs - for a week or a month.

A business owner who believes in passion or enthusiasm - will direct his/her customers to find the type of sport that rouses and excites them, even if he/she is not involved in this sport. In contrast, a business owner who believes in simplicity or thoroughness - will direct customers to thorough and basic training, the benefits of which are proven and known.

There is no right or wrong, because there is more than one right and good way - and that is what is beautiful about using values - they create a natural differentiation from colleagues, both in the product and service they offer and in marketing that highlights their values and natural uniqueness.

Differentiation is the ability to produce a significant difference in the eyes of a business's customers and its competitors. Differentiation can be achieved in different ways, including a different and unique service, a particular form of work or pricing. The combination of values and beliefs can also create differentiation. Once core values are clear, it is very easy to communicate them out to a new community and audience that is not yet familiar with the business. Once you incorporate the values into marketing - then you create natural differentiation. A business attracts customers with similar values, customers whose methods, approach and nature are suitable for the business (Rosenfeld, 2021).

If we look at the past, it appears that the great leaders of the world have grown into a reality that has shaped their leadership. Close-knit family, the "strong" parents, education at home for the values of mutual respect, caring for others, cooperation, and sharing the burden, high value for doing, creating and building - all of these constituted a solid foundation for the growth of leadership. Many are the personality traits of a leader, but

some salient traits are manifested, such as: self-prominence or by the groups surrounding them, ability to listen and understand alongside human relationship skills with high emotional orientation, striving for mobility and leadership of their people, constant connection with and orientation towards reality and naturally, rapid decision making and response to application in the field.

Leaders understand that any organization's success lies in its people. They see themselves as liberators of human talent, and the development of the full potential inherent in their people is their main concern. They understand that the job of a business leader is to turn the workplace into a place where talent is realized. Visionary leaders understand their businesses must first and foremost be places and opportunities for self-development and personal fulfillment for both themselves and their employees.

Successful business management requires managerial skills in specific areas in addition to practical management skills. Every organization needs successful business management in order to reach its business goals, including business plan, pricing, financial management, and recruiting and managing employees. Today, there are many written and unwritten rules for the effective business management of any organization (Lasri, 2015).

Charisma focuses on personality traits such as dynamism, style, image, inspiration, symbolic impression (House, 1977), management, emotional intelligence (Goleman, 1998), extrovert style, self-confidence, empathetic understanding and admiration for vision manifestation (Zacher, Liane, & Rooney, 2014). Leaders whose personalities are characterized by a high level of narcissism, driven by intense needs for power and prestige use coercive force, intimidation and deception as some of the strategies they use (Kets de vries, 1989).

In the theory of the Organization of Economic Society (1947), Max Weber wrote that the term charisma applies to a particular quality of an individual personality by virtue of which it differs from ordinary people who treat him/her as supernatural, superhuman, and having exceptional powers or qualities, such that are inaccessible to ordinary people. Charismatic leaders are regarded as an of divine or exemplary origin, and on their grounds for action are individuals treating them as leaders (Weber, 2021).

Rarely, dramatic problems can arise because of a leader's certain character flaws. Charismatic leaders can have access to extreme narcissism that leads them to promote self-serving and extremely grandiose goals. As a result, the leader's behaviors can be exaggerated, they may lose touch with reality, or act primarily for pure personal gain. They can hurt leaders themselves himself, their employees and the organization.

A leader can have a charismatic personality but he/she can be a corrupt figure. Though charming, inspiring, dynamic, magnetic and glamorous, his/her core values are based on greed, egotism and abuse of power. These are core values that stem from secondary values, expressing unobtrusive leaders' behaviors such as malice, deception, arrogance, intimidation, condescension, coercion, anger, lack of trust, lack of integrity, and lack of gratitude and harmony (Sankar, 2003). Thus it can be said that managers' values have high effect on business success.

**In conclusion,** From the literature review it can be seen that the managers' values have a strong connection to business success. This study shows only the managers' values as a one variable from a model that describes the relationship between the firm and the customer market at the internal level of the firm to his market.

### QUALITATIVE RESEARCH

In-depth interviews with 15 entrepreneurs and senior corporate managers managing activities in Israel and around the world in various fields were undertaken Seeking to better appreciate the strength and influence of managerial skills as a significant element determining business performance, as maintained in the literature review. In-depth interviews lasted between 30 minutes and an hour, and conducted between July 21<sup>st</sup> and December 2<sup>nd</sup>, 2021, as part of the qualitative research. Interviewees signed an informed consent form expressing their agreement to take part in the study. Interviews were recorded, transcribed, and processed before analysis.

Questions focused on interviewees' experiences and views regarding managers' values and their effect on their business success.

Entrepreneurs or company managers without these values can only sustain a company for a relatively short time or only while relatively small and uncomplicated. The minute a company becomes larger and more complex, challenges become more complicated, and then, these values become critical to business success. This can be seen in what interviewees said (Table 1).

**In Summary:** An entrepreneur's or company manager's values, like his nature, are what will determine a company's 'genetic code', employee's motivation, dedication, belief in its way and vision and how they will follow their leader. Based on the

findings of this study, it can be said that values are a critical factor to a business success.

### REFERENCE LIST

- [1] Goleman, D. (1998), The emotional intelligence of leaders. *Leader to Leader*, 1998: 20-26. <https://doi.org/10.1002/ltl.40619981008>
- [2] House, R.J. (1977). A 1976 theory of charismatic leadership. In J. G. Hunt & L. L. Larson (Eds.), *Leadership: The cutting edge* (pp. 189-207). Carbondale, IL: Southern Illinois University.
- [3] Kets de vries, M. (1989). Prisoners of leadership. Charles WYPLOSZ, Associate Dean for Research and Development. [https://flora.insead.edu/fichiersti\\_wp/Inseadwp\\_1987/87-01.pdf](https://flora.insead.edu/fichiersti_wp/Inseadwp_1987/87-01.pdf)
- [4] Sankar, Y. (2003). Character Not Charisma is the Critical Measure of Leadership Excellence. *Journal of Leadership & Organizational Studies*, 9, 45 - 55.
- [5] Zacher, H, Liane, K, & Rooney, D. (2014). Leaders' Personal Wisdom and Leader-Member Exchange Quality: The Role of Individualized Consideration. *Journal of Business Ethics*.

### Web sources

- [1] CB INSIGHTS (2021). <https://www.cbinsights.com/research/startup-failure-post-mortem/>
- [2] Lasri, E. (06 01 2015). Business leadership - from planning to successful implementation. *People and computers*: <https://www.pc.co.il/editorial/175041/>
- [3] Rosenfeld, M. (30 08 2021). How to use values to design and market our business. <https://www.mirarosenfeld.co.il/blog/values/>
- [4] Tal, E. (2017). Business management and strategies. <https://taleitan.co.il/%D7%A2%D7%A8%D7%9B%D7%99%D7%9D-%D7%91%D7%A2%D7%A1%D7%A7%D7%99%D7%9D>
- [5] Weber, M. (23 December 2021). Max Weber's theory of bureaucratic management. Harappa: <https://harappa.education/harappa-diaries/max-weber-theory-of-bureaucracy-2/#:~:text=The%20Max%20Weber%20Theory%20of%20Bureaucracy%20proposes%20that%20all%20business,what%20is%20expected%20of%20them.>

## LIST OF TABLES

Table 1  
**Interviews**

<b>The participant</b>	<b>Quote Supports and Explanation</b>
O.Y., General manager of a high-tech company	She stated, “Values are very important, maybe the most important, because ultimately, yes people give you the power to succeed, it is not that they do things for you, but the minute you are supported by a manager, the minute you know you can turn to him if you need help, the minute he knows to encourage and motivate you, the minute he appreciates what you do, the minute you know you are doing something and someone says wow, well done, for me that is a lot. It doesn’t have to be daily; it doesn’t have to be on a weekly basis, but it must be there, because that is your fuel. You ultimately feel that you must succeed for him because you want to succeed for him. You want to be someone he recognizes. You care about the company and him. You care about proving yourself. To distinguish from a manager who is less, one you don’t value as much. Why invest efforts, it doesn’t matter whether I succeed or not. The reactions will be the same. You must not get to such places. A good manager is one who also knows how to shout at you, if necessary, to criticize when necessary and to teach when necessary. Also, to wish you well when necessary. And the most important thing, to be your friend when necessary. It is someone who has to be everything. It is incredibly difficult to be a manager. I feel it today. I try hard to be like that for my employees and in my opinion, I am successful, but again it is because I had managers from whom I took and learned a lot. Yes, but I do compare managers, it is more problematic for me”.
M.M., Owner of a large and international import company	He argued, “An entrepreneur has to know how to overcome failure and not be afraid of it or to continue onwards, an entrepreneur must have human relationships, this is extremely important. One of the greatest things an entrepreneur feels is fear. He is always afraid, but despite this he decides to take the risks, because perhaps he will succeed in crossing a small crack he sees in the wall. Nights without sleep and nerves of steel, that’s something you do or don’t have”.
R.I., head of start-up investment fund and who himself had a huge exit payout	He told about a start-up company that came to present the company to a fund he managed to seek funding, and despite the fact that she had an excellent business model, good team and abilities, she did not receive the funding because of the impression her general manager left, as we learn from his words, “The company did not get funding only because of the general manager, not that he is bad person, simply he did, he didn’t know how to draw us in, did not how to bring people to where they needed to be. You have to be super focused on and determined in what you do if you want to succeed”.
O.N., Owner of a start-up company in the third year of existence and gone through two rounds of investment recruitment	He maintained there is a limitation on growth without values, in his words, “There’s a limit to how large you can grow when you are truly without values”.

Y.Z., Owner of a business consultancy and sales company	He argued “The world has become more ethical and spiritual, values are very, very important, over time everything is exposed, and everything revealed, if you sting clients, it will all come out”.
A.R., Owner of a start-up in the field of sport and senior figure in a European investment fund	He argued that values are not like knowledge, they are difficult to learn, as seen in what he said, “They say that knowledge you can instill, but someone without a winning personality, sees problems and not solutions, it is difficult to teach this, people with values are those who can cope with complex challenges”.
D.M., General manager of a communication company in Israel maintained that managers are a critical resource for an organization’s success	He stated that it is very important to know how to put one’s ego aside and not look for fights, he said: “It is very, very important to me that managers are people firstly without ego and self-important and without all these fights”.
B.V., Owner of a finance start-up	He said that the nature of entrepreneurs and their values will determine everything, it is highly important to their success and that of those around them, he said, “I think that with me specifically, an entrepreneur, today it is everything, it is extremely important for other successes, one must not give in and invest all the time, I consult a lot”.
O.T., Vice president of an international marketing company	She maintained that an entrepreneur’s or manager’s charism is critical, he cannot be a dictator but must have the spirit of a commander, his vision must be clear to all and he must know how to instill motivation into his teams, as can be learned from what she said: “If this manager in his ways of management allows his management and managers under him lead, it the best, but the commander’s voice must be heard, he does not have to be a dictator and determine everything. But there must be a commander’s spirit, the vision must be clear and he must instill motivation, his charisma is critical”.
A.G., General manager of a factory	He argued that values determine a company’s DNA critical to business success. Values can lead to team unity and strengthening relationships between members benefitting goals and targets or to wars between them and failures, as he said, “There are people who create a glue around them and others stick to them, look, ultimately an organization is a system of links between departments, there are some people who are more in tune with the environment, create it more, the more ethical. Let’s say, they harness everyone to work, and this thing that produces a pleasant atmosphere that ultimately benefits all. It is highly important. I had at store in the factory a marketing manager I could have argued with him and not just me, everyone could argue with him and shout at him, but he was very ethical, very professional, so after every argument we were friends, we even went out together. So, you know, when I was general manager there, and he passed away while riding a bike, and then you immediately see the importance of “the fuel” he generated, that he always broadcast, and only when you lose it do you understand the significance. I as an employee couldn’t work for one minute in a company that wasn’t ethical, no thanks. There are companies with scoundrels. You know, they don’t look left or right. I couldn’t live with that, not as a manager and not as an employee, in such a business environment. There are

---

	easier field, and there are more competitive fields. But the first thing is always who you are”.
D.V., Owner of a successful advertising company	He said that his working atmosphere was of everyone together, despite being divided into teams and departments, everyone worked as a single team, looking one another in the eyes and mutual respect are what enrich employees over time and instill in them motivation to succeed, as can be understood from what his statement, “And love thy neighbor as thyself, that is my top value, that is how I practice it and is most important to the company, we look at all employees in the company at eye level, there is no management team and marketing team, we are all together, we don’t measure employees’ time or watch over them, we all work together as a team”.
D.D., An entrepreneur and owner of a digital marketing company	He maintained that business conducts itself exactly like its manager, he said that charisma is a condition: “Generally, a business will behave exactly like the entrepreneur behaves, if the entrepreneur is all over the place, the business will be all over the place, if the entrepreneur is organized and accurate, so too will the business be, charisma is necessary”.
A.SH. Owner of a large construction company	He said, “Firstly it is more associated to personality. Mine too, perhaps my father’s as well before me, on this issue of patience about decisions. It is the true value, of fairness, about building such things that we are very, very punctilious about, the business is just a goal so that our lives will be much nicer and more pleasant, a successful business is one that ultimately works as transparently as possible, but also fair, to suppliers and customers, that’s how it possible to develop the business, with suppliers who have given you space to operate”.
A.A. owner of an international e-commerce company	She said that today if you are not reliable you simply disappear, technology exposes those with whom it is not worth working as well as highlighting those with whom it is, as can learned from what she said, “A supplier can promise a certain level of product to a customer and supply a different level, and today with social group networks it is easily discovered and reputation ruined, I can see in a minute what happens to suppliers, it’s over, he cannot work with those people any more”.
Y.K. Owner of a service company	He said, “It is an entrepreneur who establishes the company. In fact, he puts his D.N.A. into the company. It is he who puts in the customer service spirit, the determination for the marketing team, for example, the ability to provide service to a dissatisfied customer, to turn a dissatisfied customer into a satisfied customer. The confidence comes from the owners; they maintain the stability. From personal experience, one who is determined, one who perseveres, who is not afraid of failures, he will succeed! I have no doubt these are the people who succeed”.

---