

**SUSTAINING KEY STAKEHOLDERS' VITAL VALUES  
WITHIN ETHICAL ENTERPRISE ARCHITECTURE**

**Denis O'Shea**

A thesis submitted in fulfilment of the requirements for the degree of  
Doctor of Philosophy.  
(C02031)

Faculty of Science

University of Technology

Autumn 2009

***Statement of Original Authorship***

I hereby declare that this submission is my own work. To the best of my knowledge and belief, it contains no material previously published or written by another person nor material which, to a substantial extent, has been accepted for the award of any degree or diploma of the university: except where due acknowledgement is made in the text.

June 2009

Denis O'Shea

---

### ***Statement of Sources***

BIS-Cleanaway is the legal entity created out of the divestment by Brambles Industries Limited of their amalgamated Industrial Services and Cleanaway Australia divisions. This restructure occurred during the course of this thesis project. BIS-Cleanaway was the author's employer at the time of researching the method developed in this thesis and is the immediate beneficiary of any findings and discoveries made in this thesis. This thesis is the result of the tripartite agreement originally entered into between the Industrial Services Division of Brambles Industries Limited, the University of Technology, Sydney and the author at the commencement of the project. The Chief Executive Officer (CEO) of BIS-Cleanaway has given written permission for the right to use to all data supplied from BIS Industries Limited.

Signature of Candidate

Date

---

---

## ***Acknowledgements***

Having never intended to study values or anything quite so abstract makes the completion of this task even more amazing. Then again, with this once in a lifetime opportunity and the number of wonderful people giving encouragement, what else was a man to do? Thanks to everyone for their encouragement, patience and support during this project: family, friends and colleagues.

In particular, recognition and gratitude goes to the following, persons and institutions, for their valued contributions.

The whole family has been exceedingly patient. Heartfelt thanks especially to Kerry who is an unswerving source of encouragement, best friend for forty years; and a treasure. As for the proofreading of fractured manuscript, it was *déjà vu* in Ben's case. Linda however, was an unsuspecting volunteer and her effort therefore was superb considering her demanding workload.

Acknowledgement is made as well of the immense contributions of numerous faculty, staff, and graduate students at UTS, too numerous to name individually. Merely extending special acknowledgement to Professor Anthony (Tony) Baker for his continuous encouragement is inadequate in light of the extent of his endurance and patience. In addition, sincere thanks to Cathy Killen for her support and valuable discussions during the research phase.

Many colleagues and executives of BIS Cleanaway and Transfield Services have made valuable contributions to this project. Particular acknowledgement must go to Chris Berkefeld, the Managing Director and CEO of BIS for his participation in the tripartite approach to the project, fostered by the University of Technology, Sydney. After making the suggestion of conducting this project with BIS over a meal in May 2002

after only a few months association, Chris immediately accepted the involvement as a challenge.

Jacky Smithwick, his Human Resources Director, provided encouragement (so essential for keeping the creative juices flowing). Thanks to all employees at BIS-Cleanaway and Transfield Services who stoically participated in countless meetings and sessions without (audible) complaint. During the course of this project they had a say, were patient, insightful and supportive. To list them all individually here would be impractical. In particular, the Executive Management Teams from both these enterprises who gave so freely of their time in survey sessions and ECC symposia. Their support included unfettered access to the documented management systems of their enterprises. Any errors that appear in this work are the sole responsibility of the author.

Gratitude and thanks also goes to T. Dean Maines and Arnold M. Weimerskirch from the inventor group of the SAIP<sup>®</sup> for granting permission to make use of the SAIP<sup>®</sup> survey and for their forbearance during communication difficulties on numerous international telephone hook-ups.

Finally, to all those who participated without knowing, and who may recognise their contribution in these words: thank you all very much. All interpretations are the responsibility of the author.

***Abstract***

**SUSTAINING KEY STAKEHOLDERS' VITAL VALUES  
WITHIN ETHICAL ENTERPRISE ARCHITECTURE**

Denis O'Shea

In clearly defining, and then designing, a socio-technical system of enterprise architecture for a unique enterprise, the ultimate goal is to identify sustainable approaches that enshrine ethical decision-making. Because of its sustainability focus, this study includes not only the technical architecture, but also the general delivery of the values of all stakeholders to the enterprise. This includes consideration of the guardianships of stakeholders; their needs and resulting objectives; how those objectives determine choices made for the architecture of the management system; and the supporting policy environment.

The intent is to develop a mechanism that identifies variation in values from those intended. Values are an abstract form of energy, a force that satisfies participant needs and motivates us to work. Sharing ethically based values, across all key stakeholder guardianships, whether they are customers, managerial and non-managerial personnel, or shareowners, build the foundation stones for an effective, visionary philosophy and ethical behaviours. They are a determinant of the optimal trajectory for the structures and systems. This *'Tapestry of Values'* transforms a random group of individuals into a coherent and committed team of crucial organisational participants. Values with their basis in ethics also recognise that to secure excellent performance an enterprise has to manage not only logical and technical capabilities; it has to manage feelings and emotions as well. Without the strength of a people-centred value system, an unbounded, flattened network organisation can create untidiness and personal vulnerabilities. Clear, common values provide guidelines for behaviour and a secure framework in which change and growth is possible. Values have this transformational power.

The central tenet states that the values in an enterprise of the '*vital few*' stakeholders together with the so-called '*trivial many*' play a significant role in the positive formation of the shared values system, and informal rules of behaviour, in the enterprise. By outlining the pathway to making critical decisions based on ethical rather than strategic imperatives, a new explainable method that redefines, operationalises and demystifies the traditional Mission-Vision-Values enterprise architecture emerges.

This then introduces the Enterprise Constancy Continuum, a schema for the execution of ethical managerial decisions. This schema adopts and explains an Attitudes-Governance-Ways-Means-Outcome continuum as the phases of the new model broken into overlapping reality check strands called the Systematic Leadership and Trajectory Optimisation.

To facilitate the assessment of the state of alignment of beliefs to goals, the Values Effectiveness-Trajectory (VE-T) Two-by-Three Matrix provides a reckoner of the pulse of the body of enterprises by measuring the extent of any compromise to the immune system. This assessing tool recognises any distortion to the effectiveness of the shared values in measuring, and responds as appropriate with corrective actions.

Once implemented, the mechanisms developed in this doctoral thesis, will require a very long timeframe to recognise significant change, or even a valid null result. This lengthy timeframe takes the validation of this mechanism beyond the scope of a doctoral thesis.

**KEY WORDS:** Stakeholder Theory, Values Theory, Axiology, Values Analysis, Values Maximization, Corporate Purpose, Corporate Governance, Strategy, Social Responsibility

## ***Table of Contents***

### **SUSTAINING KEY STAKEHOLDERS' VITAL VALUES WITHIN ETHICAL ENTERPRISE ARCHITECTURE**

<i>Statement of Original Authorship</i>	<i>i</i>
<i>Statement of Sources</i>	<i>ii</i>
<i>Acknowledgements</i>	<i>iii</i>
<i>Abstract</i>	<i>v</i>
<i>Table of Contents</i>	<i>vii</i>
<i>Table of Illustrations and Diagrams</i>	<i>ix</i>
<b>SECTION 1: Introduction</b>	<b>1</b>
<i>Chapter 1: Introduction</i>	<i>2</i>
1.1 Preamble	2
1.2 Contextual Architecture	4
1.3 The Vital Few	8
1.4 Collectively Speaking	13
1.5 Moving Forward	17
<i>Chapter 2: Retaining the Voice of the Stakeholder</i>	<i>18</i>
2.1 Values and the Moral Imperative	18
2.2 The Nature of Values	20
2.3 Categories of Values	23
2.4 Opportunistic Vigilance	29
2.5 Summary	50
<b>SECTION 2: Stakeholder &amp; Values Methodology</b>	<b>52</b>
<i>Chapter 3: Background</i>	<i>53</i>
3.1 Stakeholder State-of-Play	53
3.2 Values State-of Play	77
3.3 Summary	84
<i>Chapter 4: Values Axiology &amp; Stakeholders Typology</i>	<i>86</i>
4.1 Fiduciary Capital	89
4.2 Stakeholder Typology	122
4.3 Constituency of Stakeholders	123
4.4 Realising the Voice of the Stakeholder	152
4.5 Summary	176
<b>SECTION 3: Aims, Method and Results</b>	<b>179</b>



## SUSTAINING KEY STAKEHOLDERS' VITAL VALUES WITHIN ETHICAL ENTERPRISE ARCHITECTURE

<i>Chapter 5: The Struggle to Preserve Values</i>	180
5.1 The Area of Interest	180
5.2 The Question	181
5.3 The Problem	183
5.4 Steps toward a Solution	184
5.5 Acting on Processed Information	214
5.6 Problems for Values Preservers	222
5.7 Evaluation of ECC on an Example	225
5.8 Conclusion	230
 <i>Chapter 6: Case Study</i>	 231
6.1 BIS Industries Overview/Analysis	232
6.2 Status report	233
6.3 Survey Data Collection	237
6.4 Case Problems	239
6.5 Findings	241
 <b>SECTION 4: Conclusion &amp; Further Work</b>	 <b>256</b>
 <i>Chapter 7: Concluding Remarks and Outlook</i>	 257
7.1 Conclusions	257
7.2 Limitations of the Research	261
7.3 Summary of Contributions to Knowledge	262
7.4 Future Research	264
 <b>SECTION 5: References and Appendices</b>	 <b>268</b>
 <i>References Index</i>	 269
 <i>References</i>	 272
 <i>Glossary of Terms</i>	 283
 <i>Abbreviations and Acronyms</i>	 288
 <i>Appendices</i>	 291
Appendix A : Caux Principles	293
Appendix B : Survey Material	298
Appendix C : Survey Data	319
Appendix D : 14 Points for Industry Transformation-Deming	321
Appendix E : BIS Limited - Source of Revenue	322

**NOTE:** Each word or phrase in the Glossary of Terms, (p.283) is underlined in the body text when used for the first time.

## ***Table of Illustrations and Diagrams***

<b>FIGURE</b>	<b>PAGE</b>
Figure 1: Stakeholder Change Management	6
Figure 2: Deriving Dependability from Quality of Service	7
Figure 3: The Triple Bottom Line Approach to Classifying Moral Issues	20
Figure 4: The Values Continuum	21
Figure 5: The Elements of TQC (in particular PDCA Cycle)	29
Figure 6: Beliefs-to-Objective Strategic Architecture Model	32
Figure 7: Managing Strategy - Four Processes	36
Figure 8: Balanced Scorecard and TQM	37
Figure 9: Characteristics of Three Cognitive Mapping Techniques	47
Figure 10: The Herzberg Factors Affecting Job Attitudes	54
Figure 11: Kano's Customer Satisfaction Model	57
Figure 12: CWQC model	62
Figure 13: Model of a Process-based Quality Management System	65
Figure 14: Focus Areas for System Integration	66
Figure 15: The TQC Vision	68
Figure 16: Standardisation of Improvement Effect	70
Figure 17: SDCA Stabilisation of Daily Work and Improvement Work Cycle	71
Figure 18: The 7M Tools (a – g)	72
Figure 19: Maslow's Hierarchy of Needs	77
Figure 20: Hierarchy of Needs of an Enterprise	78
Figure 21: Values and the Business Process	79
Figure 22: CRT General Principles	96
Figure 23: Self-Assessment and Improvement Process (SAIP <sup>®</sup> )	97
Figure 24: Personal Values of the Shared Values Process	102
Figure 25: Schwartz - Motivational Domain and Values Typology	103
Figure 26: Barrett's Model of Organisational Values	107
Figure 27: The Top Nine Work-Related Values	111
Figure 28: Experiential Ethical Learning	119
Figure 29: Stakeholder Management Strategies	122
Figure 30: Common Stakeholders and Their Interest	126
Figure 31: An Enterprise as a 'Nexus of Contracts'	127
Figure 32: Stakeholder View of the Enterprise	128
Figure 33: Complex Stakeholder Linkages	130
Figure 34: Stakeholder Constituency Matrix (highlighting 'Privileged' Stakeholders)	131

**SUSTAINING KEY STAKEHOLDERS' VITAL VALUES  
WITHIN ETHICAL ENTERPRISE ARCHITECTURE**

<b>FIGURE</b>	<b>PAGE</b>
Figure 35: Stakeholder Engagement Stages in AA1000SES	137
Figure 36: Classes of Stakeholders Framework	145
Figure 37: Example of Prevailing Organisational Values	155
Figure 38: The House of Quality	159
Figure 39: Deployment Roadmap	160
Figure 40: Stakeholder Based Enterprise Analysis Flowchart	163
Figure 41: Policy Deployment Wheel	165
Figure 42: Contrasting Traditional & Control Management	166
Figure 43: Strategy Planning Table	169
Figure 44: Action Planning Table	169
Figure 45: Progress Review Table	170
Figure 46: Pairwise Values Comparison using AHP	174
Figure 47: Filtering Ingredients of Decisions	175
Figure 48: Enterprise Constancy Continuum	187
Figure 49: Process Decision Program Chart for ECC	189
Figure 50: Project Charter template	192
Figure 51: Stakeholder Guardianship Stratification Tree	193
Figure 52: Stakeholders and the Business Enterprise	194
Figure 53: PEST Stakeholder Identification	196
Figure 54: RASIC Roles Status Descriptors	197
Figure 55: RASIC Role Matrix	198
Figure 56: Stakeholder Importance and Priority Matrix	198
Figure 57: Stakeholder Input for the House of Quality	204
Figure 58: The Values Tapestry	209
Figure 59: Values Effectiveness-Trajectory (VE-T) Two-by-Three Matrix	216
Figure 60: ECC for Safety at Transfield Services Australia	227
Figure 61: BIS Limited Values	234
Figure 62: BIS Limited Shared Values	234
Figure 63: BIS Limited Mission Statement	235
Figure 64: Resources Disposition at BIS	236
Figure 65: Radar Graph-CEO vs. Level 2 Managers 2007 & 2009	242
Figure 66: Multi-vari Chart for Employee Score by Stakeholder/Principle-Year	243
Figure 67: Boxplot Comparing Responses to 2007 and 2009 Surveys	245
Figure 68: Probability Plot-Respondent by Year	246
Figure 69: Multi-Vari Chart for N/A Survey Responses by Employee - Year	247
Figure 70: Probability Plot-Stakeholder & Principle Initial Data	250
Figure 71: Descriptive Statistics for Survey Results 2007 & 2009	251

**SUSTAINING KEY STAKEHOLDERS' VITAL VALUES  
WITHIN ETHICAL ENTERPRISE ARCHITECTURE**

<b>FIGURE</b>	<b>PAGE</b>
Figure 72: Graphical Summary of Final Dataset	251
Figure 73: Descriptive Statistics 2009 for Median	252
Figure 74: SAIP <sup>®</sup> Executive Summary Scorecard	318
Figure 75: Consolidated Survey-Collected Data - July 2007	319
Figure 76: Consolidated Survey-Collected Data - February 2009	320