

12. ORGANISATIONAL VALUES: A CONCEPT AND RESEARCH METHODS

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Abstract

The present article focuses on organisational values as an aspect of organisational culture. Values are seen as the core of organisational culture – if they are shared by organisational members, a strong organisational culture can be said to exist in the organisation. The article provides a discussion about the methods used for organisational values research.

Concept of value

The world we live in is an extremely interesting and challenging place. The individuals we meet every day have their own characteristic features and the organisations we belong to or have contacts with have their own “face” or culture. Diversity is one of the topical keywords in our highly competitive environment as diversity gives a competitive advantage and organisational culture is a source of diversity.

Although the concept of organisational culture has been one of the research topics in organisational studies for over twenty years, there is still a discussion going on about its definition. Hofstede, Neuijen, Ohavy and Sanders (1990) point out some shared views held by different authors – organisational culture has been

characterised as a “soft” part of an organisation; it is a holistic; historically determined and socially constructed, and therefore not easily changing concept. Organisational culture can be defined as “a social or normative glue that holds an organisation together” (Wiener, 1988).

Schein (1992) views organisational culture as a result of interaction between an individual and organisation. In the course of time certain methods and systems emerge that keep an organisation working and as workable and generally accepted solutions reduce uncertainty, people repeat behaviours leading to positive feedback. As a result, organisational culture will take shape.

Organisational culture can be researched at different levels. According to Schein (1992), three levels of organisational culture can be observed. These levels – artifacts, values, and basic assumptions – have different accessibility for a researcher. Artifacts are the most visible manifestations of an organisation’s culture, being expressed in terms of material objects, technology, language, rites, etc. Artifacts are believed to be linked to the “deeper” level of organisational culture and therefore they enable the researcher to determine the values and basic assumptions of an organisation. The deepest level of organisational culture – basic assumptions – are taken-for-granted solutions to problems which are held unconsciously and are very difficult to reveal.

Values are seen as the core of organisational culture because they determine what people think ought to be done. Values are believed to be defining a social institution, and norms, symbols, rituals and other cultural activities revolve around them (Enz, 1988).

Before discussing the topic of organisational values, a few remarks should be made about values in general. Rokeach defines them as follows: “A *value* is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence” (Rokeach, 1973: 5). Rokeach (1973) distinguishes between two types of individual values: *instrumental values* (modes of conduct) and *terminal values* (end-states of

existence). Terminal values are self-sufficient end-states of existence that a person strives to achieve (e.g. wisdom and comfortable life). Instrumental values (e.g. honesty, helpfulness) describe behaviours that facilitate attainment of terminal values.

Values act as guidelines that help people to choose goals and make decisions about how to realise them. They specify an individual's personal beliefs about how he or she "should" or "ought to" behave. That means that values do not necessarily reflect how he or she wants or desires to behave or actually behaves, but rather "describe" his or her internalised interpretations about socially desirable ways to fulfill his or her needs (Meglino, Ravlin, 1998: 354). Rokeach (1973) proposes that the more widely shared a value is, the greater are the societal demands placed upon us and the greater "oughtness" we experience.

Roe and Ester (1999) stress that holders of values are not necessarily individuals but may also be groups of people (e.g. organisation, occupational group, subculture, etc). Like an individual holds several values, so do organisations. Thus we have reached the issue of organisational values.

Concept of organisational values

Enz defines organisational values as "the beliefs held by an individual or group regarding means and ends that organisations "ought to" or "should" identify in the running of the enterprise, in choosing what business actions or objectives are preferable to alternate actions, or in establishing organisational objectives" (Enz, 1988: 287). Thus the values refer to the way how people evaluate activities or their results.

The influence which organisational values have on daily practices is indirect. Values enable members' activity through self-control and social mechanisms and being clearly communicated to organisational members, they will become the criteria for making decisions and choices in everyday work (Vadi, 2000). Organisational value systems may have profound effects on work attitudes and behaviour (Vanderberghe, Peirò, 1999). Several authors have

seen stabilisation of individual behaviour as a most important function of organisational values (De Witte, van Muijen, 1999). Values are believed to be a crucial factor in the impact of organisational culture on organisational effectiveness (Wiener, 1988). A clear organisational values system provides depth, stability and consistency to management practices (Padaki, 2000).

Organisational values may replace the traditional control mechanism within an organisation and they have an impact on human resource management (Vadi, 2000).

An individual holds several values which are more or less important and relevant to him/her. The individual takes his/her values to the group s/he belongs to and communicates them to the members of the organisation. In the socialisation process a new organisational member learns the organisational values and gives up some of his or her values. Usually it is necessary to accept the organisation's values in order to fit in with it.

Wiener (1988) describes the process of forming a value system in an organisation. If a number of key values concerning the organisation-related behaviors and state-of affairs are shared by the organisation's members, a central value system of the organisation is said to exist. By Wiener the sources of forming values could be traditional (values are derived from and passed on between different members of an organisation) or charismatic (values transmitted from the leadership).

The management system is an important carrier of a value system (Padaki, 2000). On the other hand, there is an existing culture and values in every organisation derived from organisational members. Values transmitted from workers and those which come from the management should fit in with and would be integrated into the organisational value system. If that is not the case, the organisation has two "parallel systems" (Padaki, 2000). That means that there is a "formal" system, but decisions and actions take place according to the "real" system. Padaki (*Ibid*) stresses that such a situation is not favourable for an organisation as it could possibly lead to frustration within it.

If there is no substantial agreement that a limited set of values is important in a social unit, a strong culture cannot be said to exist (O'Reilly, Chatman, Caldwell, 1991). In large decentralised organisations multiple value systems could exist (Wiener, 1988), but even if there are several subgroups in an organisation, all holding differing values, there should be some core values which are shared by the whole organisation and the values of different subgroups should not be contradictory. For example, different departments of an organisation could have different value systems because of the different tasks they have, yet those values should complement the values of the whole organisation.

Here parallels could be drawn with the “espoused values” and values “in use” concepts. Formal values could be set up as desirable states and they are communicated publicly to interest groups, but they are not always taken as guidelines in real work situations. Instead the values “in use” are those guiding behaviours that are accepted as decision-making criteria in everyday life.

Some authors (e.g. Argyris, Schon) distinguish values “in use” from “espoused” values (Meglino, Ravlin, 1998). Values are socially desirable and therefore there is a pressure to express and validate values publicly (“espoused values”) whether or not they are held internally (“in use”). In case of organisations, there could be a great difference between the values expressed publicly and those which are actually shared inside an organisation. Values are at least partly held unconsciously and people may not be even aware of them until the values are challenged. That makes the question of studying internally held values even more complicated.

Using the terms – terminal and instrumental values – worked out by Rokeach could be appropriate in case of organisations as well. An organisation's value system could be seen as one consisting of terminal values (end-states of existence) and instrumental values that should lead to attainment of terminal values. Speaking about differences between organisational values, many authors share the position that there are values which are common to all organisa-

tions (terminal values), while differences could be found mostly among instrumental values.

Discussions about the differences in an organisations' values systems have lead to conclusions that there are great similarities in the values of those organisations which operate in similar cultural conditions. Several authors (e.g. Hofstede *et al*, 1990; van Muijen *et al*, 1999) have found in their research that organisational values are strongly influenced by the national culture within which a particular organisation is physically situated.

A study of national cultures in Europe showed that there is no such phenomenon as a European cultural pattern (Koopman *et al*, 1999). Each country has its own specific characteristics that influence its values and basic assumptions about its organisations. Research by Hofstede *et al* (1990) and van Muijen *et al*, (1999) has shown that organisational values are neither sector nor industry specific as proposed by several studies. While organisational values are mainly determined by the predominant values of society, sectors account for differences in organisational practices. Van Muijen *et al* (1999: 564) give a good example to illustrate that position: "Banks in France should be more similar to banks in Italy than to hospitals in France (*practices* – addition by the author). The values of French banks should be more in line with the values of the French hospitals than with the values of the banks in Italy."

Figure 12.1 gives an overview of different value levels one can possibly explore. It also points out some most covered fields of research and general methods used in values research. The methods used in the research of organisational values will be discussed in the next section.

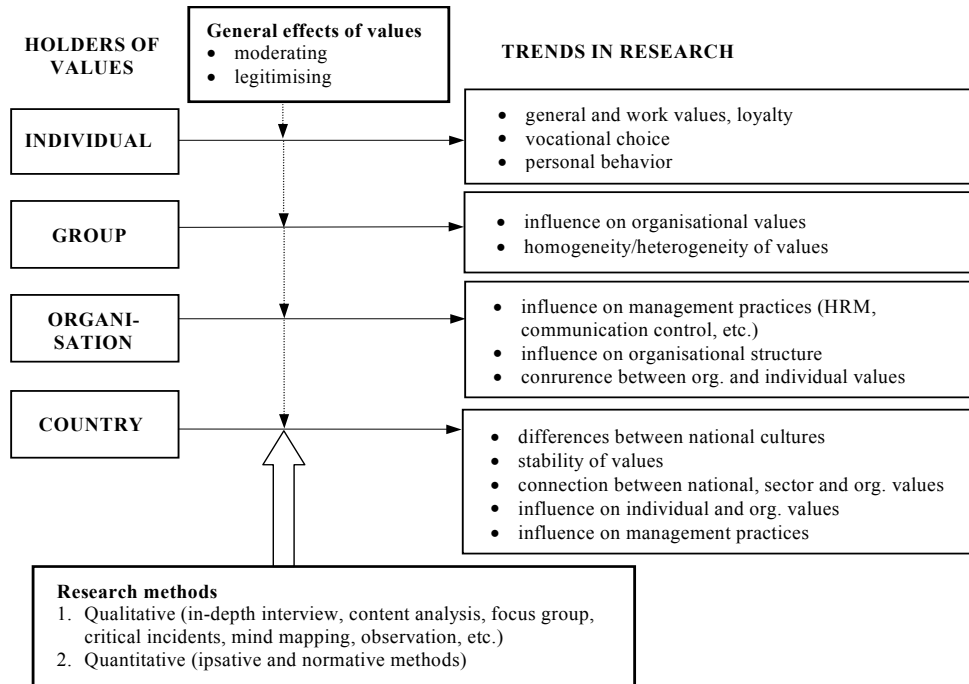


Figure 12.1. Framework of values research. Constructed on the basis of Sparrow (2001); Meglino, Ravlin (1988) and Roe, Ester (1999)

Opponents of that position (e.g. O'Reilly, Chatman, Caldwell, 1991) stress that organisations' cultures are similar when the organisations belong to relatively homogeneous industries, but the cultures of organisations in heterogeneous industries may be less similar (size, structures, regulatory demands and orientations differ). It is possible to identify a cluster of values that are predominant in a sector and make such a mapping for any sector. This does not mean that we can forget about the "personality" of an organisation. There are always combinations of values and on that basis it is possible to distinguish between organisations. Thus the discussion will continue about what is the most relevant factor affecting organisational values.

Methods of organisational values research

Organisational values are often unconscious and rarely discussable and therefore cannot be observed as such. Values are manifested in alternatives in behaviour (Hofstede *et al*, 1990). One has two possibilities to do research in the field of organisational values – the choice is between using either qualitative or quantitative research methodology.

Gummesson (2000) advocates the use of qualitative methods in management and organisation research, referring to the *iceberg effect*. Only 10–15% of an iceberg's mass is above the water's surface and the same could be said about organisations – using quantitative methods gives us some overview of an organisation but to understand processes or the core of the organisation, a more closer look is needed. Qualitative methods provide an opportunity to get a holistic view as they enable us to get a rich description of phenomena and make meaningful explanations. The main limitation of using qualitative methods is problems with comparing.

Quantitative research methods, on the other hand, allow one to quantify phenomena, making it possible to measure relations between different factors and compare them. Problems may occur if the context of particular phenomena is not captured. Therefore

it seems to be appropriate to use a number of different approaches (i.e. triangulation) while studying organisational values.

Chatman and Jehn (1994) argue that characterisation of organisational culture in terms of its central values requires that first the range of relevant values should be identified. Sackmann (2001) stresses that the data collected from individuals by using different methods need to be critically examined to find if they represent only individual opinion or represent a cultural knowledge of a group or an organisation as a whole. An assessment of how much intensity and consensus there is among the organisational members about the organisational values is needed.

Qualitative methods are very often used as a starting point of investigation as they may help to develop conceptual frameworks. Content analysis, focus groups discussions, in-depth interviews, critical incident technique and mapping value systems are but a few of the methods used in the first phase of research to clarify the range of organisational values relevant to the study.

Quantitative research methods are considered to be useful in values research as they enable us to compare the values of different organisations and assess the relationships between different factors.

There are two aspects of quantitative methods that need to be discussed (Meglino, Ravlin, 1998). Some value researchers advocate normative methods which allow one to measure values independently of one another. That means rating a set of items and statements describing a value or set of values.

Ipsative methods are based on ranking a set of values, i.e. preferences between different values will be revealed. Normative methods yield value scores which are independent, permitting to use more sophisticated statistical analysis. Also it is more convenient to administer those data. Normative methods permit drawing comparisons between different values across individuals and organisations.

Proponents of ipsative methods believe that accurate measurement of values requires assessments to be made in choice

situations and ipsative scores represent more closely an individual's true values. However, when exploring such organisational values where comparisons are drawn with regard to other entities, normative measurement has been seen as an appropriate research method.

Several authors have developed questionnaires and scales for measuring organisational values. Hofstede *et al*, (1990) constructed a questionnaire that consisted of 135 precoded questions, 57 of which dealt with the subject of organisational values.

The other well known and rather similar instrument to the latter is the Organisational Culture Profile (OCP) worked out by O'Reilly *et al* (1991). OCP consists of 54 statements about the organisational values to be rated. The degree to which organisational values are shared can be investigated by the intercorrelation among raters, using a variation of the Spearman-Brown general prophecy formula.

The third instrument for measuring organisational values, the Focus instrument, was developed by Van Muijen *et al* (1999). This instrument is based on Quinn's Competing value model which describes four organisational culture orientations: support, innovation, rules, and goal orientation (Van Muijen *et al*, 1999). These values clusters are similar to OCP culture dimensions (innovative, stable, respect of people, outcome oriented, detail oriented, team oriented, aggressive) and those of Hofstede and his colleagues' questionnaire.

Such questionnaires enable the researcher to compare the values of different organisations and business sectors, and even draw conclusions at the national level. To avoid being overly superficial, it has been suggested that the results be fed back to the members of organisation for discussion. Then the outsider and insider perspectives are combined and the result will be more truthful.

Conclusion

The aim of the article was to discuss the concept of organisational values and review the methods suitable for the study of organisational values. The debate about the concept of values and about the appropriate research methods has been going on for years. There is no consensus in those questions yet; at the same time, nobody questions the topicality of the research field.

The increasing competition on the markets, on the one hand, and the cooperation on the other, raise the importance of researching the cultural aspects of organisational life. A strong organisational culture has been seen as a source of competitive advantage for an organisation and in case of multinational corporations cultural aspects can even turn out to be crucial. Estonia joining the EU will be in a novel situation and so will Estonian organisations. Increasing cooperation on the EU market will further emphasise certain aspects of organisational culture.

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KOKKUVÕTE

Organisatsiooni väärtused: mõiste ja uurimismeetodid

Anne Reino

Viimastel aastakümnetel on organisatsioonikultuur olnud organisatsioonialastes uuringutes kesksel kohal. Sellest hoolimata jätkub diskussioon organisatsioonikultuuri olemuse üle. Ühes on erinevad teadlased ühel meelel – organisatsiooni väärtused on organisatsioonikultuuri tuumaks ning kõik muud nähtused “keerlevad” selle ümber. Organisatsiooni väärtused on olulised seetõttu, et nad mõjutavad inimeste mõtlemist ja ettekujutust sellest, mida tuleks teha ning millised peaksid olema organisatsiooni eesmärgid. Kui organisatsiooni liikmed on olulistes väärtustes ühel meelel, võib öelda, et organisatsioonis eksisteerib keskne väärtuste süsteem. Väärtused on olulised, kuna nad võivad olla otsuste ja valikute tegemise kriteeriumiks, ka on leitud väärtuste mõju tööga seotud hoiakutele ja käitumisele. Organisatsiooni väärtuste süsteem avaldab mõju ka organisatsiooni juhtimisele.

Erinevad uurijad on tegelenud rahvuskultuuri ja organisatsiooni väärtuste vaheliste seoste uurimisega. Neist uuringutest selgub, et rahvuskultuur mõjutab väga oluliselt organisatsiooni väärtusi. Euroopa riikides läbiviidud uuringust selgus, et pole olemas ühtset Euroopa kultuuri – igal riigil on omad spetsiifilised kultuurilised tunnusjooned ning iga riigi organisatsioonidele on iseloomulikud teatud väärtuste süsteemid.

Samamoodi, nagu pole ühtset seisukohta organisatsiooni väärtuste osas või selles, millised on väärtuste seosed teiste organisatsioonikultuuri tasanditega, nii pole ka üksmeelt selles, millised on sobivaimad uurimismeetodid antud valdkonnas.

Artikkel käsitleb erinevaid lähenemisviise organisatsiooni väärtuste uurimisel.