The Multiple Levels Through Which Values Affect Organizations

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Values refer to what is desirable and worthy

Values exist at multiple levels

At the individual level:
Values are cognitive representations of
motivational goals.
They are desirable trans-situational goals, that
serve as guiding principles in peoples' lives.
(Kluckhohn, 1951; Rokeach, 1973; Schwartz, 1992)

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   (Kluckhohn, 1951; Rokeach, 1973; Schwartz, 1992)

At the social-collective level:
   Cultural values are shared, abstract ideas about
   what is good, right, and desirable (Williams, 1970).
   They represent the goals that members of the
   social collective are encouraged to have & serve to
   justify actions taken in the pursuit of these goals
   (Schwartz, 1999).

The individual level:
    Personal values are a stable individual attribute.
    Affect individuals over time and across situation.

The social-collective level:
    Cultural values characterize social collectives --
    Societies, Business Organizations, Educations
    Systems, Religions, Families, and more.

Organizations are a central social collective;
    they are affected by other social collective;
    and by their individual members.

Organizations are affected by values at multiple levels

The Nation

Organizational Members

Professions

Organizations (Cultural Values)
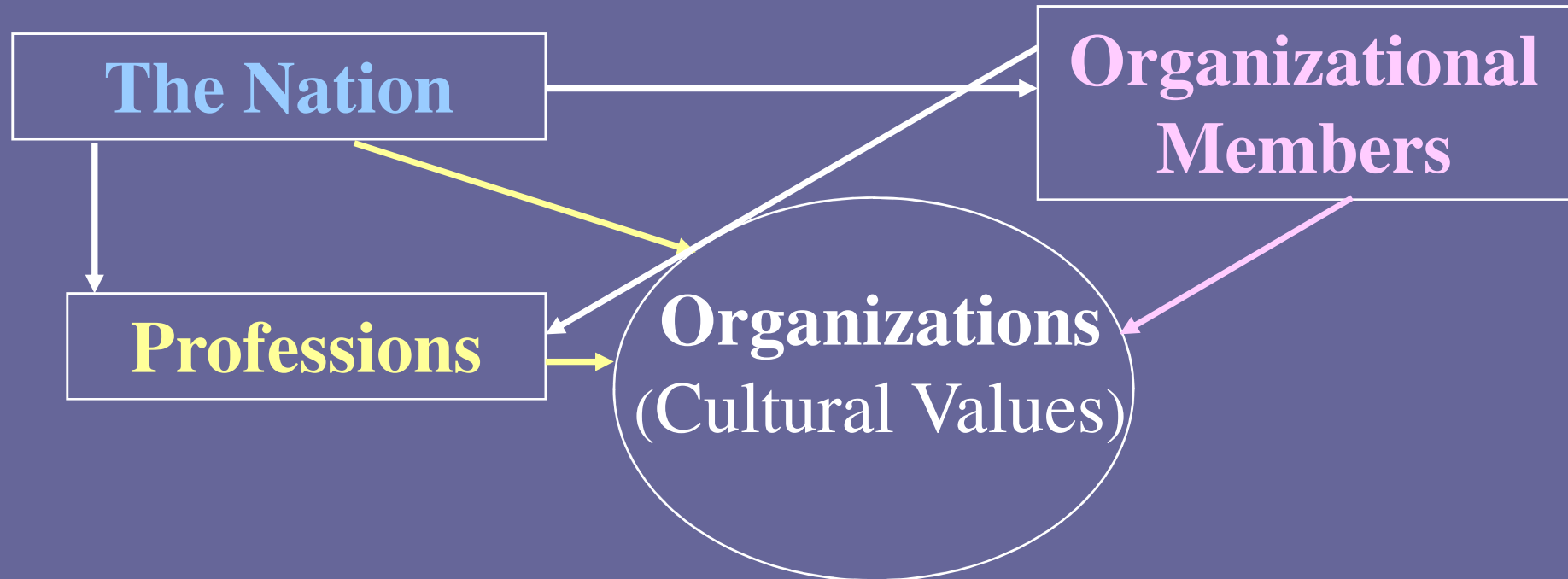
Cultural Values of Organizations

Organizations develop cultural values that reflect what is considered desirable, and reflect the goals members are encouraged to peruse.

Organizational values are used by organizational leaders to set goals & agendas, and to justify & explain those to organizational members.

Organizations
(Cultural Values)

Annual Reports: Letters to Shareholders

- "The staff of our bank from top to bottom will constantly maintain a composed and bold-spirited attitude toward taking up and meeting every challenge"

- "As part of its initiatives to address environmental concerns, Bank is promoting use of renewable sources of energy and has provided liberal assistance for installation of solar energy based systems"

- "As part of our effort to improve diversity at the executive level, we are now devoting much more attention to career planning and development for high-potential employees from under-represented groups"

(Lee & Sagiv, in preparation)

Cultural Values of Organizations

Organizational values are used by organizational leaders
to set goals & agendas, and
to justify & explain those
to organizational members

The cultural values of the organization are thus represented in widely shared symbols, rituals, norms and practices that develop in the organization
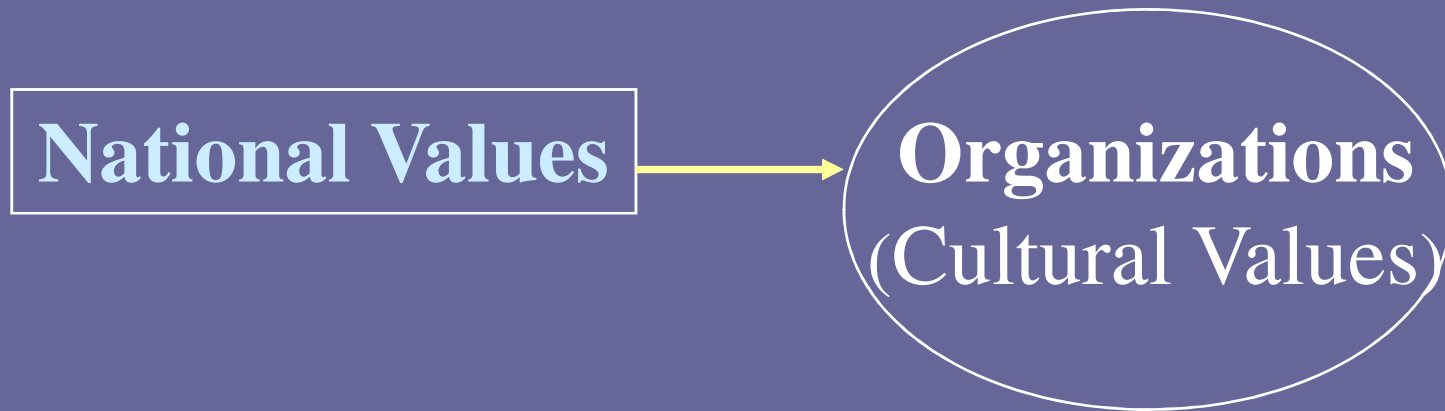
Organizations
(Cultural Values)

Uniforms as a symbol that reflects organizational values

In sum, the cultural values of organizations are crucial for their operation

The National Level

National Values $\longrightarrow$ **Organizations** (Cultural Values)

- Organizations are nested within societies
- To function effectively, organizations must gain & maintain some approval & legitimacy from society
- Consequently, organizations tend to develop values that reflect – to some extent -- the value emphases of the society in which they are nested

The National Level

National Values

Organizations
(Cultural Values)

Proposed value dimensions of national values:
• Hofstede's 4 Dimensions (1980, 2001)
• The GLOBE Project (House et al., 2001)
• The World Value Survey (Inglehart & Baker, 2000)
• Schwartz Theory of Cultural Dimensions of Values

Why Schwartz Theory?

- **Theory-driven model**

- **Relies on instruments validated for cross-cultural equivalence of meaning**

- **Specifies the dynamic relations among dimensions of cultural values**

- **World-wide sample**

- **Replicates across teachers & students**

I. To what extent are people autonomous vs. embedded in their groups?

Embeddedness

People are viewed as entities embedded in the collectivity, who find meaning in life largely through identifying with the group, participating in its shared way of life, and striving toward its shared goals

Autonomy

People are viewed as autonomous, bounded entities who find meaning in their own uniqueness and who are encouraged to express their internal attributes.

Schwartz (1999)

II. How to guarantee responsible behavior to preserve the social fabric

Hierarchy

The Culture relies on hierarchical systems of ascribed roles to ensure responsible behavior. It defines the unequal distribution of power, roles, and resources as legitimate.

Egalitarianism

People are view as moral equals who share basic interests as human beings. People are socialized to internalize a commitment to voluntary cooperation with others and to feel concern for everyone's welfare.

Schwartz (1999)

III. How to regulate the relationship of humankind to the natural world?

Mastery

The culture encourages active self-assertion in order to master, change and exploit the natural and social environment to attain personal or group goals.

Harmony

The culture emphasizes accepting the world as it is, trying to comprehend and fit in rather than to change or exploit. The legitimacy of applying technology to manipulate the environment is questioned.

Schwartz (1999)

HARMONY (.79)

EGALITARIANISM (.75)

EMBEDDEDNESS (.98)

INTELLECTUAL AUTONOMY (.93)

AFFECTIVE AUTONOMY (.92)

MASTERY (.88)

HIERARCHY (.87)

EGYPT   CAMEROON
ETHIOPIA
YEMEN
SENEGAL
LATVIA
SLOVENIA   SLOVAKIA
CZECH REP   GEORGIA   FIJI   NIGERIA
BOSNIA HZ   PHILIPPINES
HUNGARY   ESTONIA   CYPRUS   Gr   BOLIVIA
MALAYSIA
INDONESIA   GHANA
ITALY
FINLAND
SWITZER-LAND FR   SPAIN   NORWAY   POLAND   SINGAPORE   S AFRICA
CHILE   MEXICO   UGANDA
SWEDEN   BELGIUM   NEPAL
ROMANIA
GERMANY W   DENMARK   VENEZUELA   IRAN
AUSTRIA   ARGENTINA   SERBIA   TURKEY   MACEDONIA   NAMIBIA
GERMANY E   CANADA FR   BRAZIL   RUSSIA   PERU   ISRAEL ARABS   JORDAN
COSTA RICA   BULGARIA
PORTUGAL   UKRAINE   TAIWAN   ZIMBABWE
NETHERLANDS   AUSTRALIA
FRANCE   GREECE   CROATIA   HONG KONG   INDIA
IRELAND
NEW ZEALAND   UK   CANADA ENG   JAPAN   S KOREA
ISRAEL JEWS   USA   THAILAND
CHINA

West-Europe:
High AUT & EGAL
low EMB & HIER
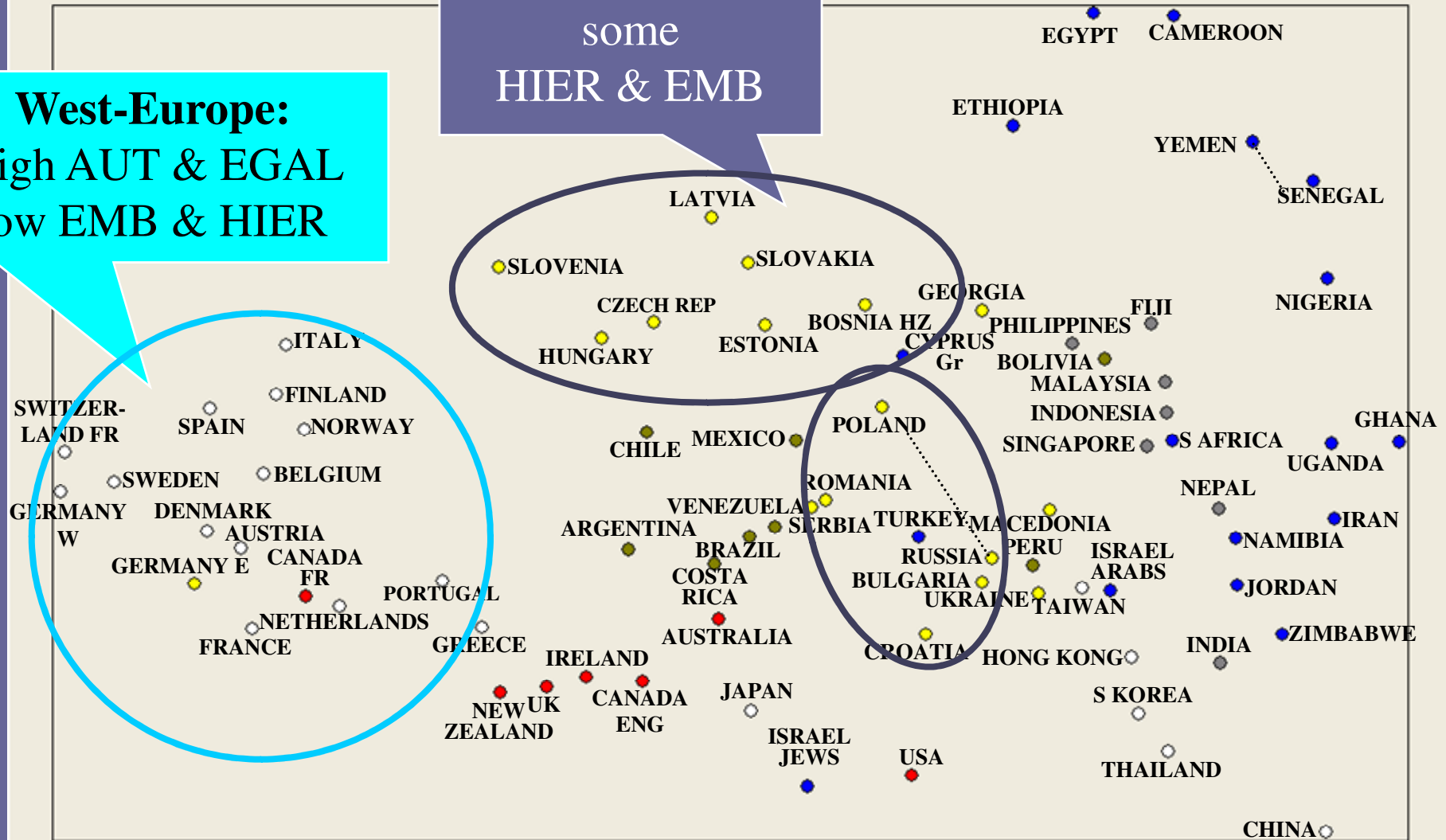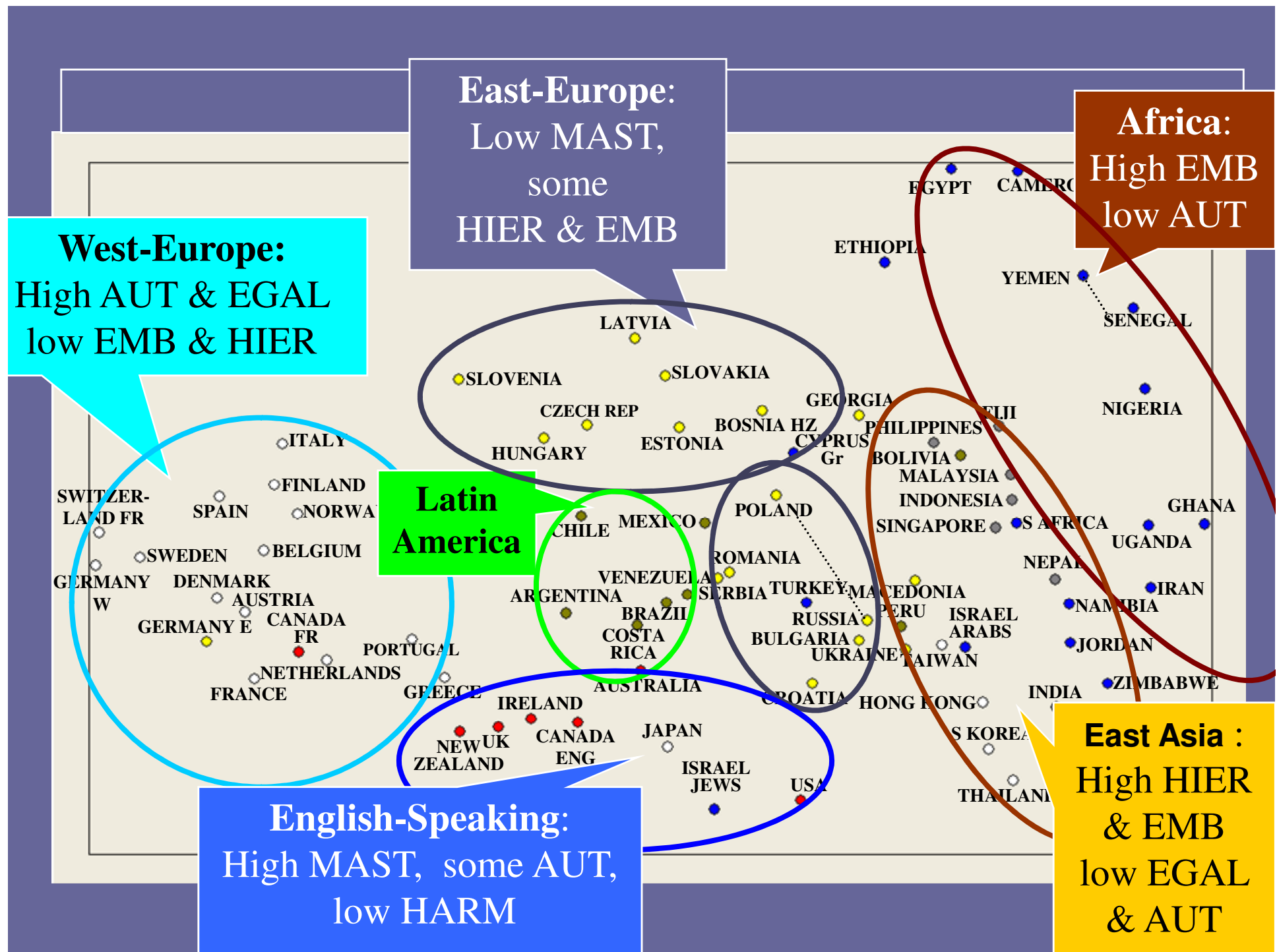
Implications to Organizations

Embeddedness

Organizations function as extended families. They are likely to take responsibility for their members in all domains of life and, in return, expect members to identify with and work dutifully toward shared goals.

Autonomy

Contractual relations: Members acknowledged to have their own interests, preferences, and allegiances. Organizational members may be granted some autonomy and are encouraged to generate their own ideas and act upon them.

(Sagiv and Schwartz, 2000; Sagiv and Lee, 2006)

Implications to Organizations

Hierarchy

Organizations emphasize the chain of authority. They assign well-defined roles in a hierarchical structure. Members required to comply with the obligations of their roles and put the organizational interests before their own.

Egalitarianism

Organizations are built upon cooperative negotiation among members and management. Leaders are likely to motivate others by enabling them to share in goal-setting and by appealing to the joint welfare of all.

(Sagiv and Schwartz, 2000; Sagiv and Lee, 2006)

Implications to Organizations

Mastery

Organizations master, change, and manipulate the environment to attain organizational goals; are dynamic, competitive, and strongly oriented toward achievement and success. May rely on advanced technology.

Harmony

Organizations are viewed holistically as systems to be integrated with the surrounding social and natural world. Leaders are likely to seek non-exploitative ways to work toward organizational goals.

(Sagiv and Schwartz, 2000; Sagiv and Lee, 2006)

Cultural Values &
Managers' Sources of Guidance
(47 nations)

- Embeddedness (vs. Autonomy) &
  Hierarchy (vs. Egalitarianism) predicted reliance
  on vertical sources (r=. 59, .54)
  & on widespread beliefs (r=.33, .36)
- Mastery predicted reliance on specialists (r=.29)

(Smith, Perterson & Schwartz, 2002, JCCP)

Cultural Values & Role Stress
(Re-analysis of Peterson et al., 1995, 12 nations)

Managers reported three types of role stress:

- Role Overload correlated with a cultural emphasis on **Hierarchy** & **Mastery** (& low Harmony)
- Role Conflict correlated with a cultural emphasis on **hierarchy** (& low harmony)
- Role Ambiguity correlated with an emphasis on **Egalitarianism** (when Hierarchy was controlled)

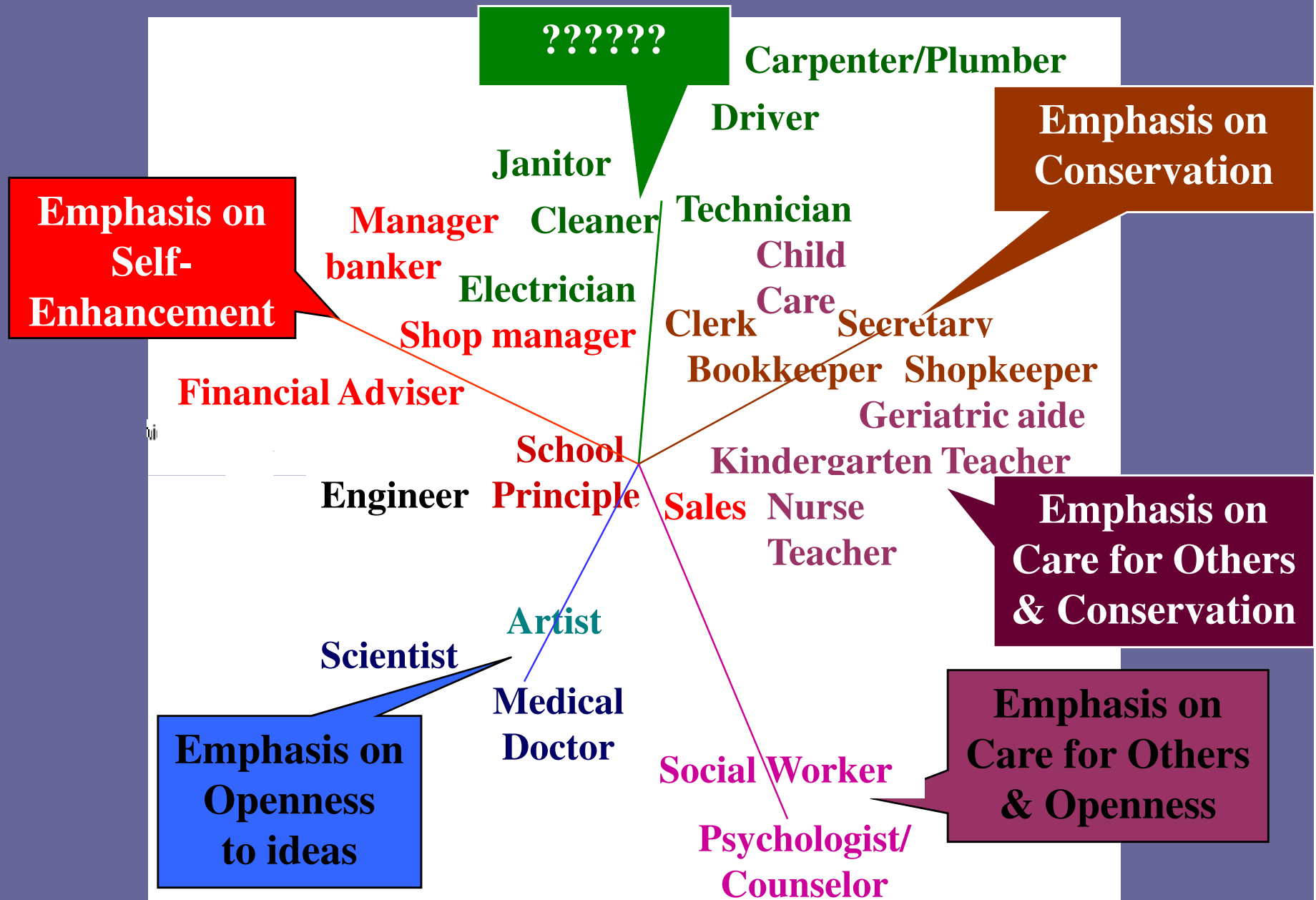(Sagiv & Schwartz, 2000; Handbook of OCC)

The Profession Level

National Values → Professions → **Organizations** (Cultural Values)
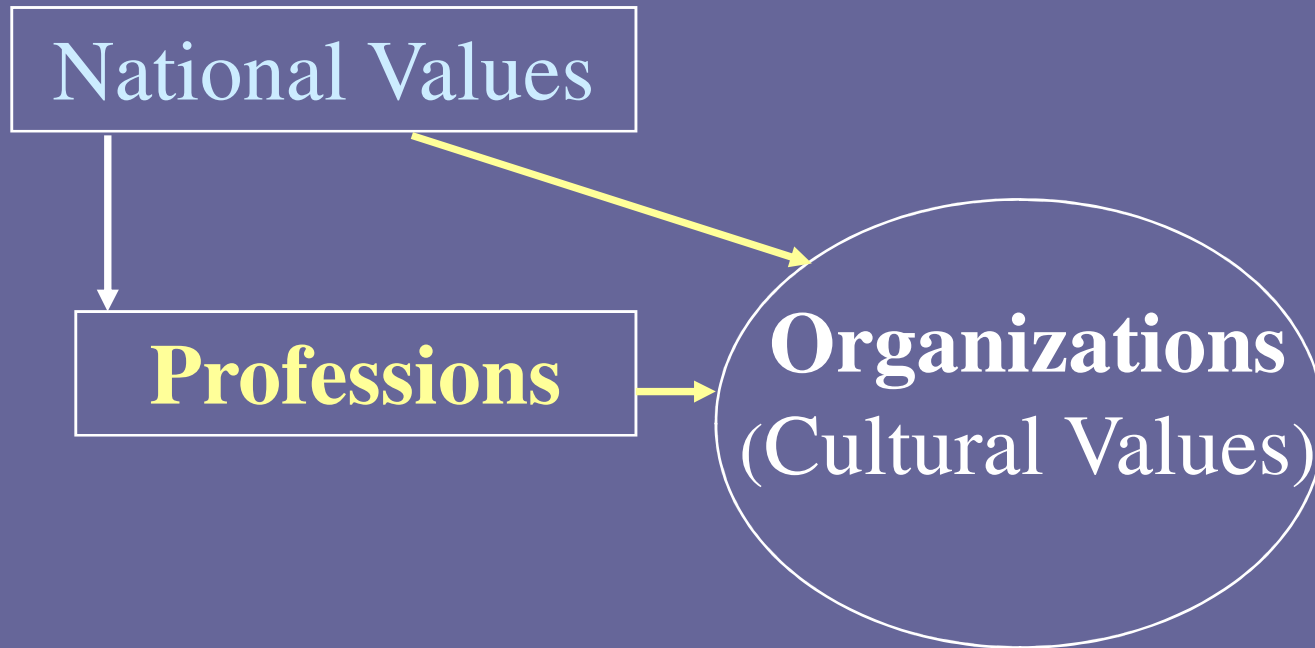
- The profession is a social collective highly relevant to business organizations
- Professions and occupations vary in the values & goals they allow their members to attain

A Value-Based Mapping of Occupations

- 652 working adults (57% female)

- Age range 35-70 (mean= 47; SD=5.6)

- Education range 0-30 (mean= 14; SD=3.8)

- 32 occupations (10-74 participants in each)

- Personal values aggregated to the occupation level

(Knafo & Sagiv, 2004)

??????

Carpenter/Plumber

Driver

Janitor

Cleaner

Technician

Emphasis on Conservation

Emphasis on Self-Enhancement

Manager banker

Electrician

Child Care

Shop manager

Clerk

Secretary

Bookkeeper

Shopkeeper

Financial Adviser

Geriatric aide

Kindergarten Teacher

School Principle

Engineer

Sales

Nurse Teacher

Emphasis on Care for Others & Conservation

Artist

Scientist

Medical Doctor

Emphasis on Openness to ideas

Social Worker

Emphasis on Care for Others & Openness

Psychologist/ Counselor

(Knafo & Sagiv, 2004)

The Individual Level
"people make the organization" (Schneider, 1987)
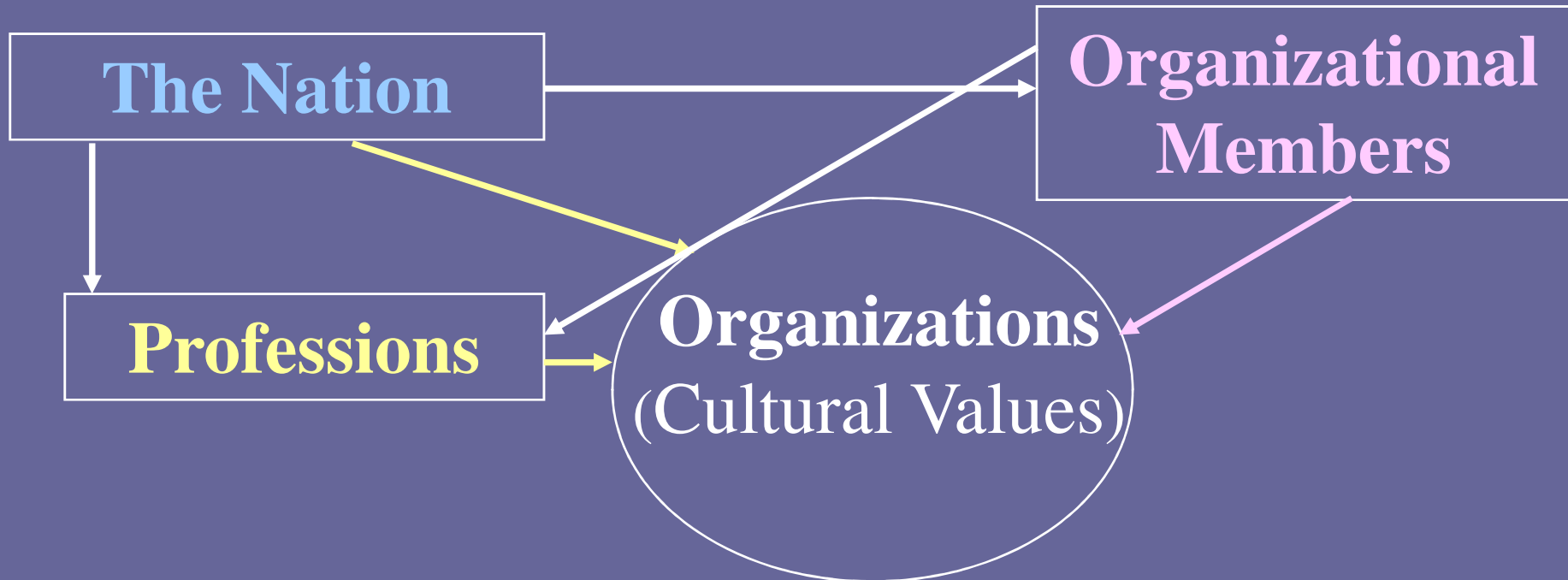
Personal Values & Behavior in Organizations: Organizational Change (Israel)

Support in organizational change correlated:
- **positively with openness to change values**
- **negatively with conservation values**

Findings replicated among students
(manipulated to expect change in teaching procedures)

And among employees
during a real-life organizational re-location

(Sverdlik & Oreg, In press, JP)

Personal Values & Behavior in Organizations: Initiative OCB (Finland)

Openness to change vs. conservation values predicted making suggestions for improvements

- Findings were stronger among those who highly identify with the organization (day-care centers)

- OCB reported by both employees & managers

(Lipponen, Bardi & Haapamäki, 2008, JOOP)

Managers' Values & Behavior in Organizations: Managerial Orientations in the Shareholders vs. Stakeholders Dilemma (Sweden)

Participants: Board Members of Swedish public corporations (response rate: 30-37%)

126 CEO,

375 Directors

127 Employee Representative Directors

Instruments:

Schwartz Value Survey (SVS, Schwartz, 1992)

4 vignettes of Shareholders/stakeholders dilemmas

(Adams, Licht & Sagiv, in preperation)

Shareholders vs. Stakeholders Dilemma: Community Vignette

Corporation C operates a large recreation center in an urban area, which is open until 7 pm. Even though longer opening hours are now industry standard and would be profitable, the company has opted against it in order to preserve the character of surrounding neighborhoods. One of C's shareholders calls for changing this policy to increase profits.

Suppose you are a director in C. How would you vote on the following propositions? The company should…

1. Open its center for as many days and hours as is financially profitable.

2. Adhere to its current policy on hours of operation.

Shareholderism & Managers' Values: Correlations
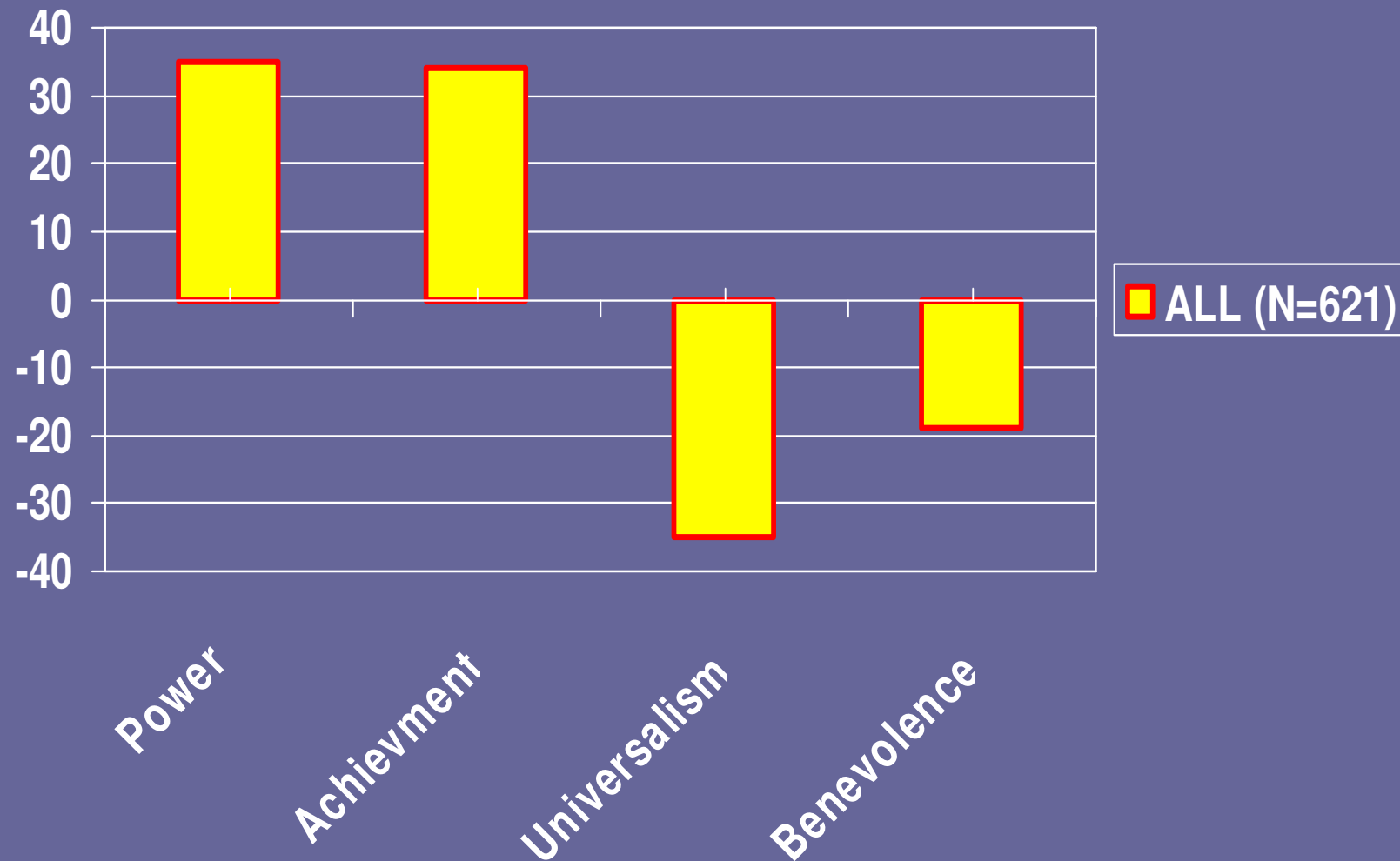
Shareholderism & Managers' Values: Correlations
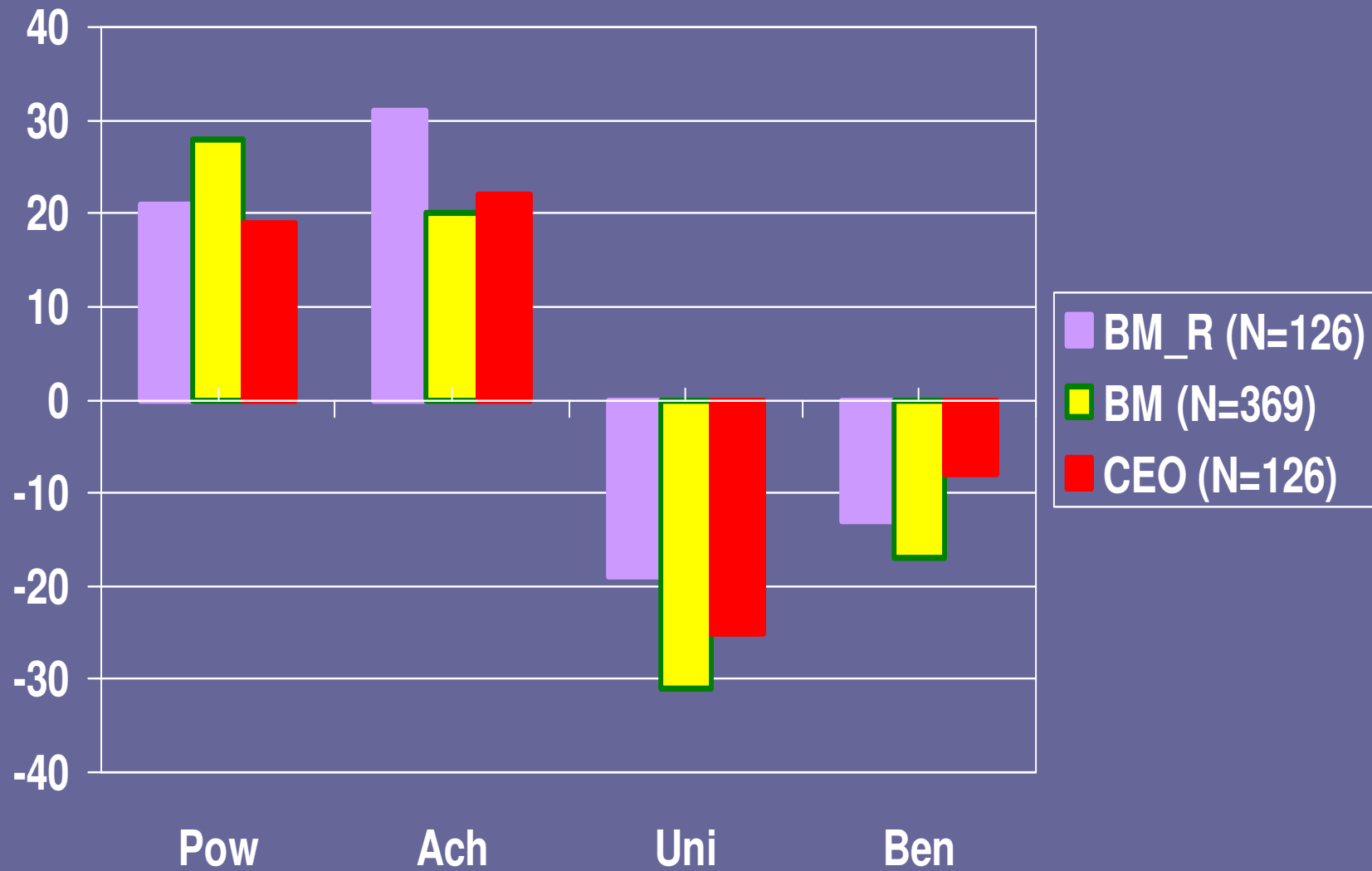
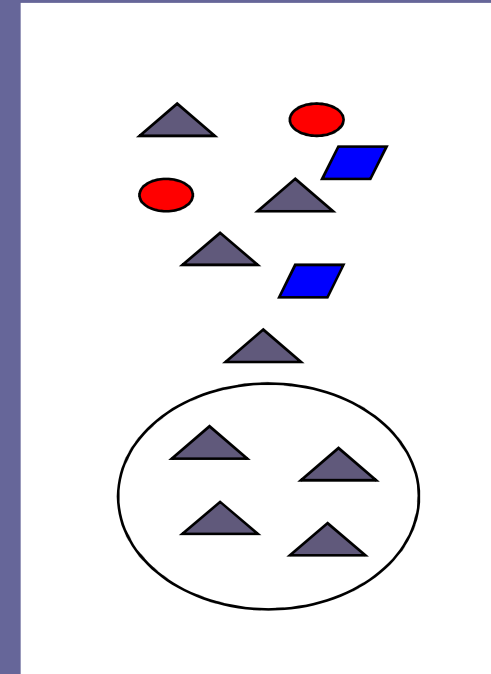Personal Values predicts the process and content of career choice (Sagiv & Schwartz, 2004)
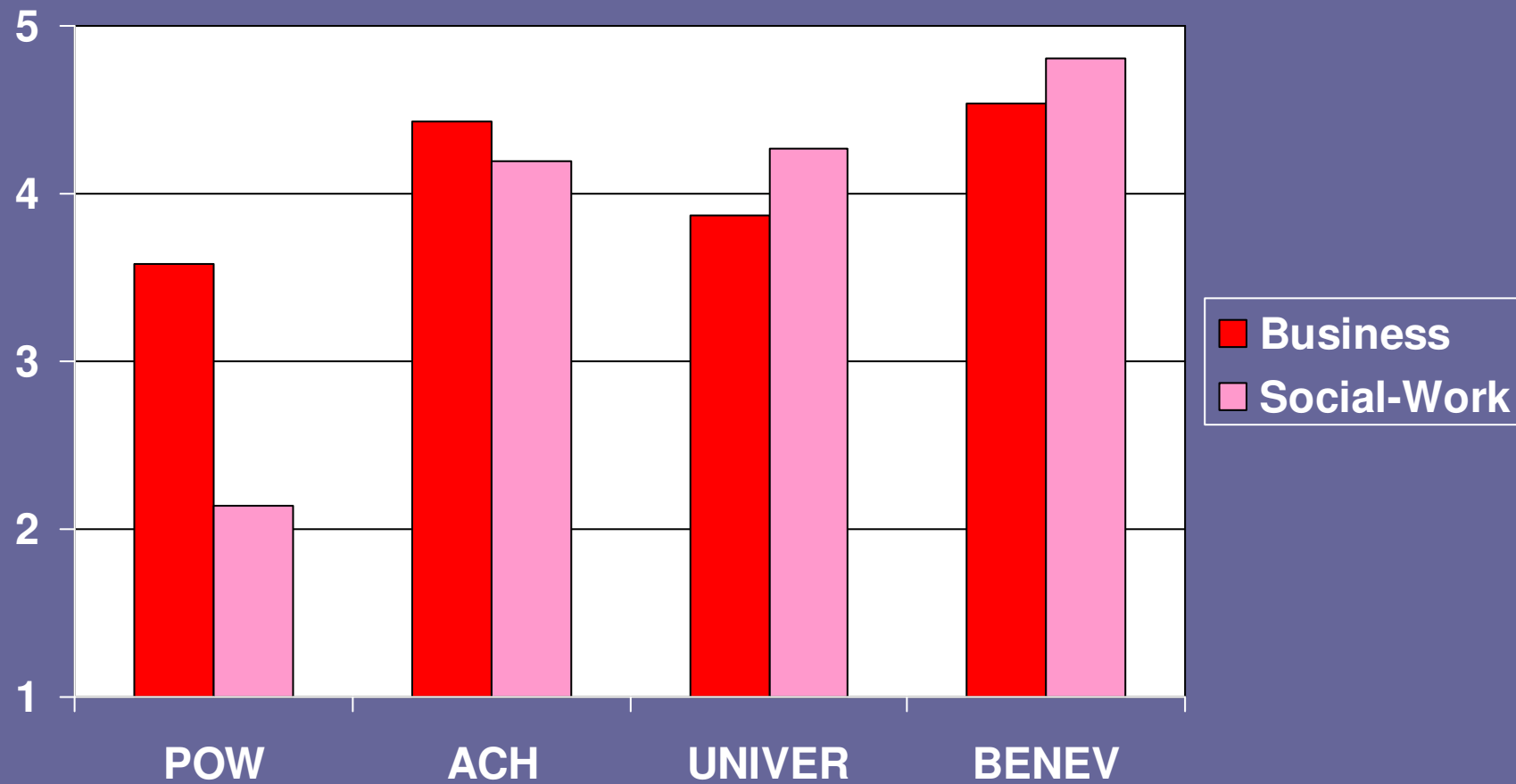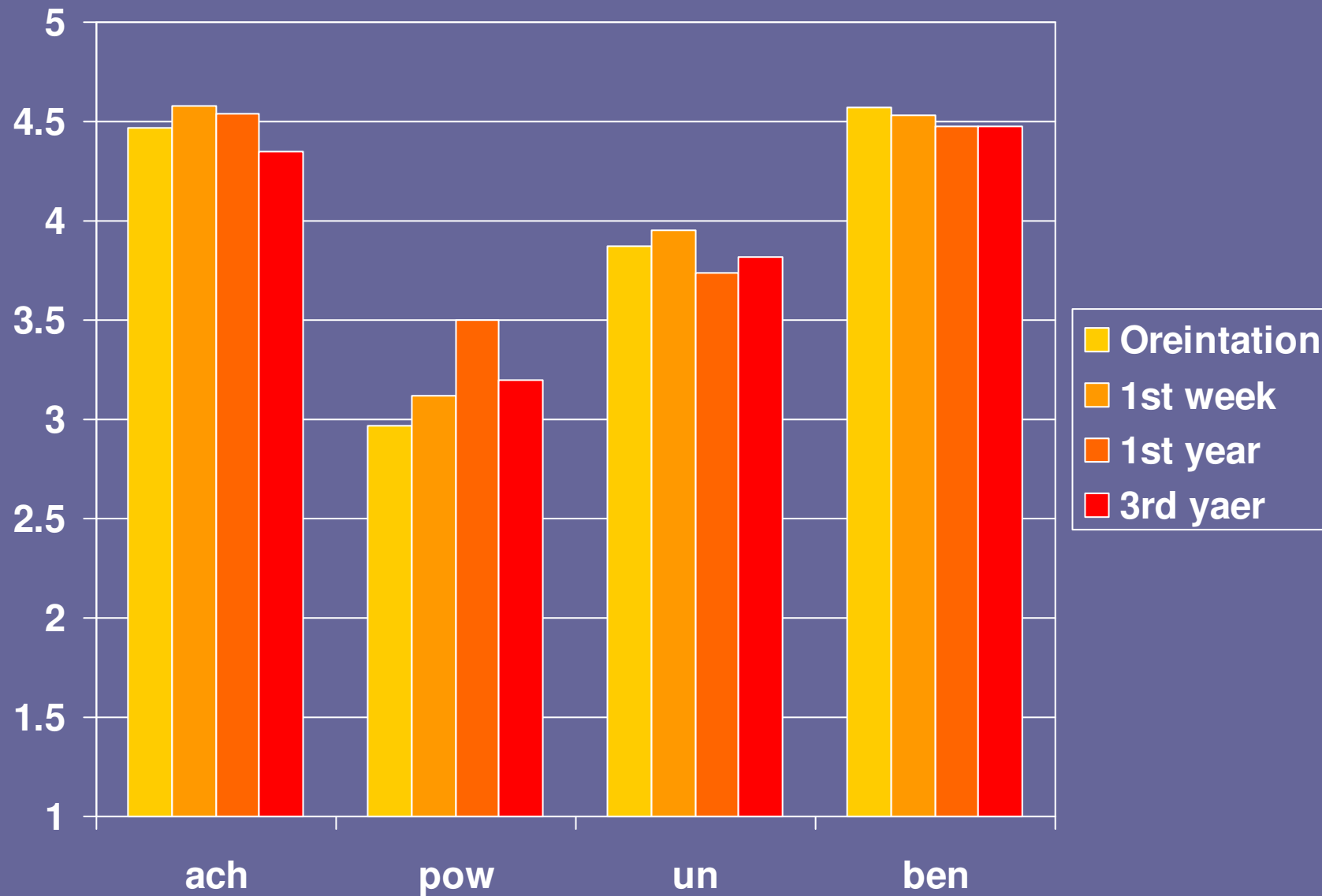
(Arieli & Sagiv, in preparation)
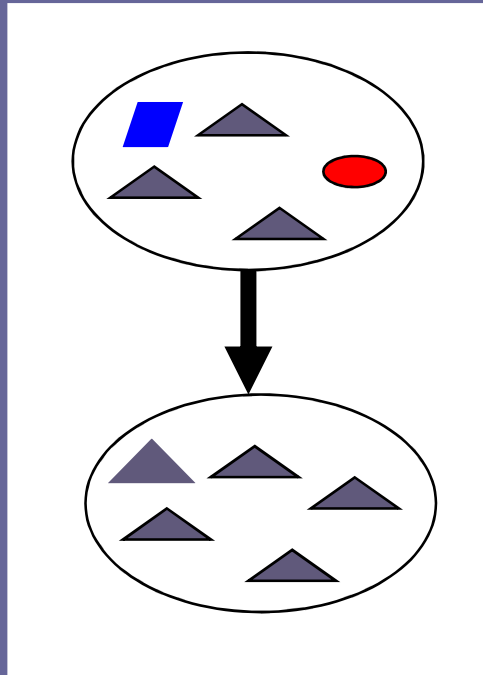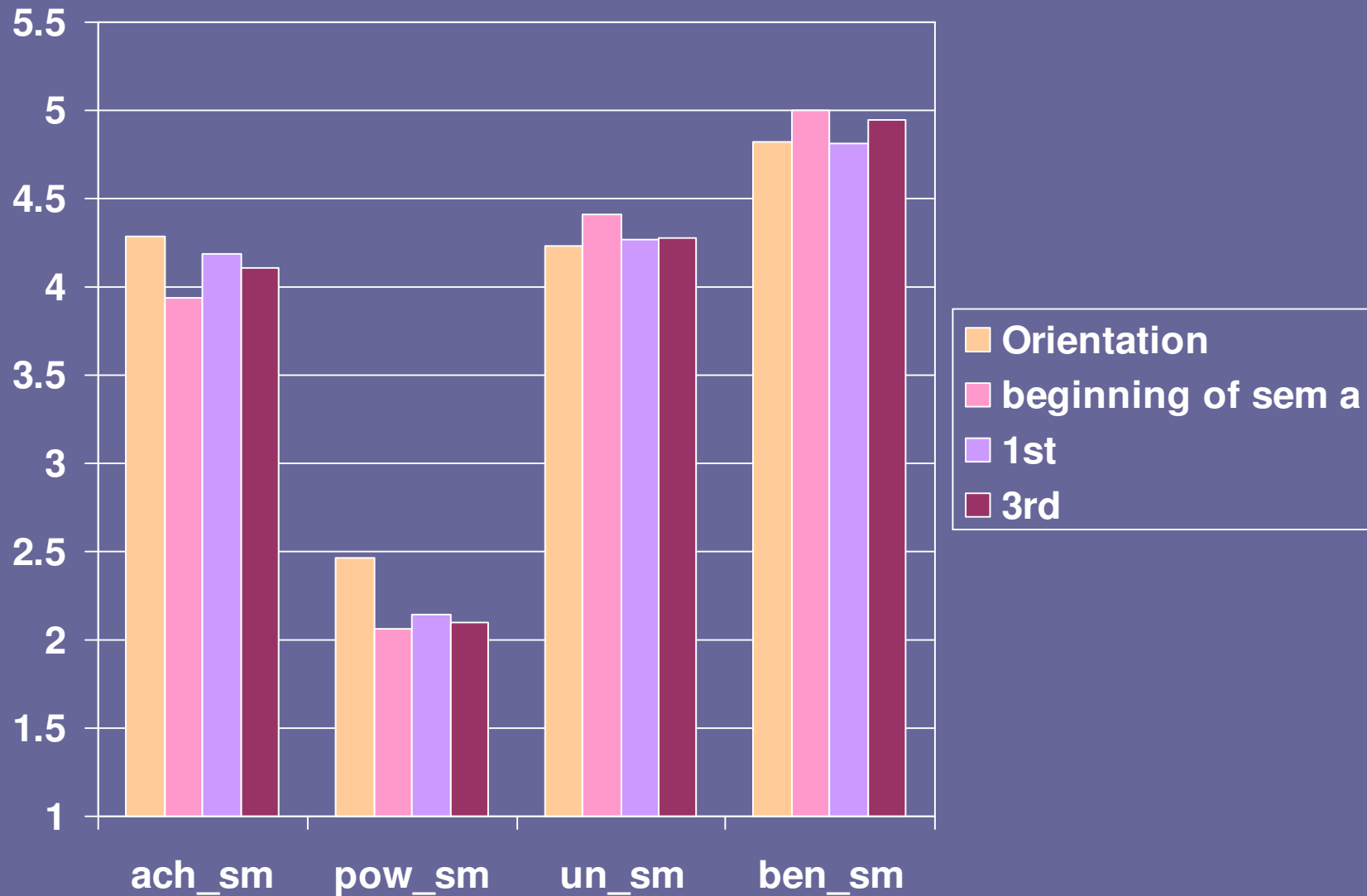
Socialization   **Selection**

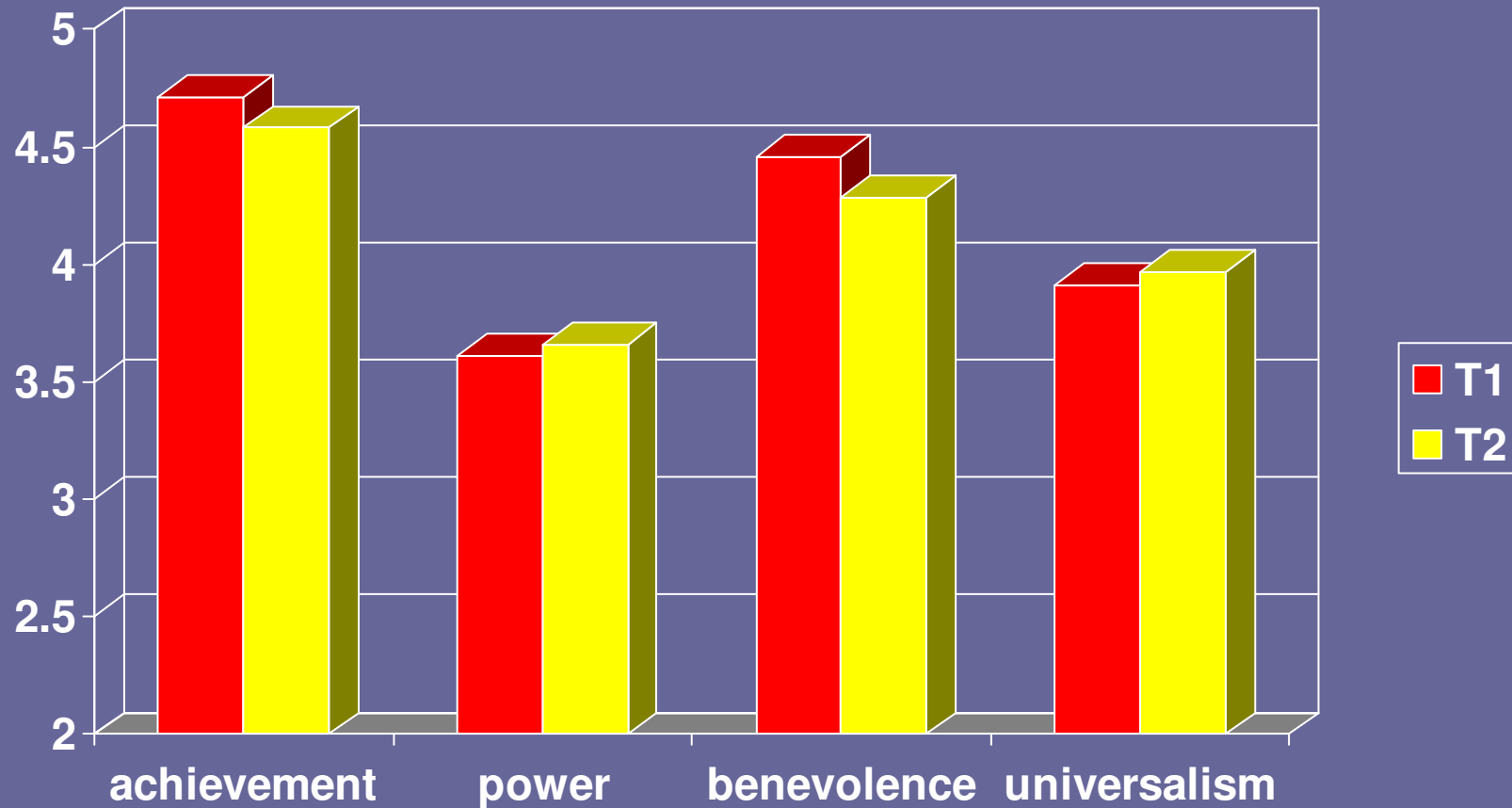**Is the value profile characterizing occupations a product of self-selection or professional socialization?**

Values of Business Students

Legend:
- Oreintation
- 1st week
- 1st year
- 3rd yaer

Categories: ach, pow, un, ben

Values of Social Work Students

Within-Person Change in Values: Business Students (N=40)

Differences for benevolence are significant (t=1.829, p<0.05)

Conclusions & Direction for Future Research

Organizational values can be studied taking two perspectives:

- – What are the personal values & goals that the organization allows its members to attain?
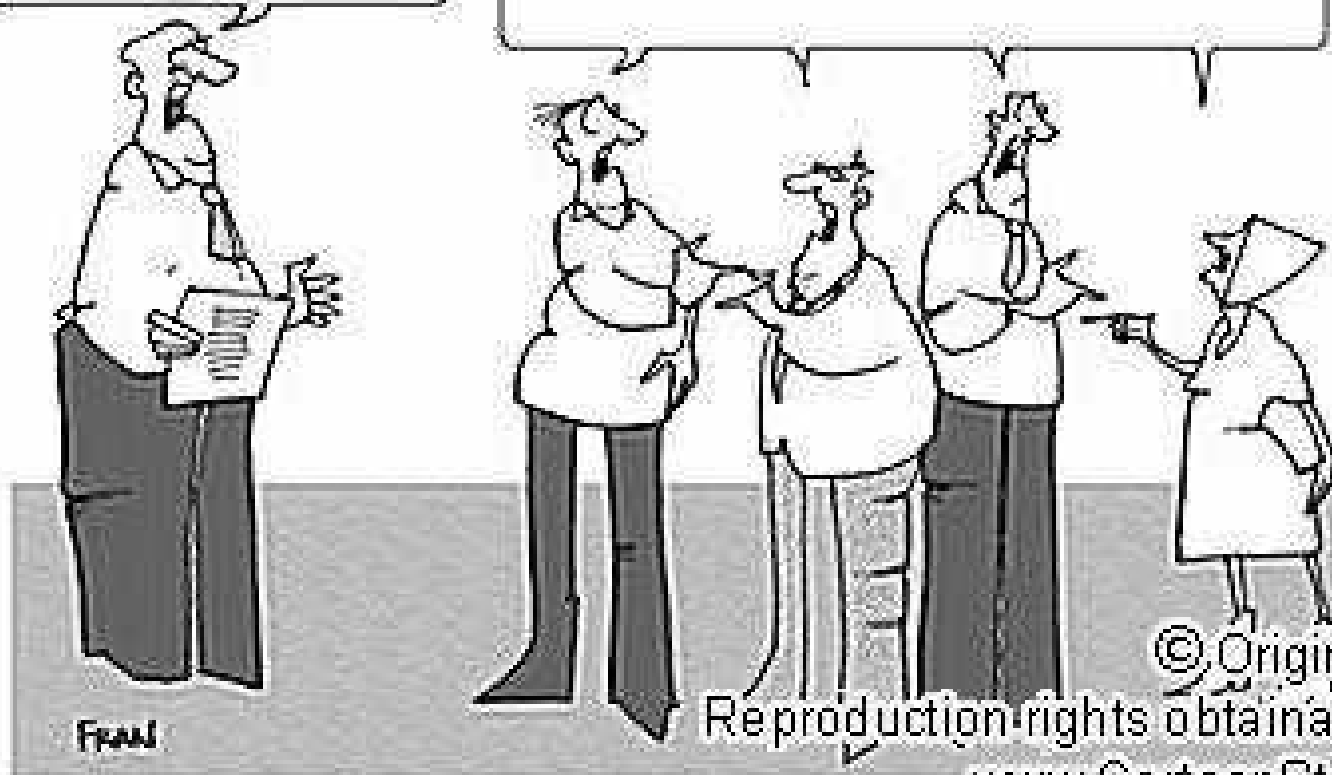- – What are the values of the organization as a social collective

considering the multiple values effects is especially important for MNCs and Global organizations

Multiple levels of values – and their interactions should be considered

Thank you!