The ever-changing nature of an organization's core principles

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Abstract

We make the point that there are four unique sorts of organizational values - espoused, credited, shared and aspirational. These incomplete but related varieties cover a range of historical foci and analytical depths. We utilize these models to show how the gaps and overlaps between organizational values change over time. To explain the transition between these different kinds of values and the possible effects on organizational behavior and performance, we lay out a series of assertions drawn from institutional, organizational, and management sources. Finally, we speculate on where this granular examination of the idea of organizational values may take us in the future.

Introduction

Many organizational phenomena, such as organizational identity (Ashforth & Mael, 1989), organizational culture (Schein, 1985), person-organization fit (Cable & Edwards, 2004), and organizational socialization (Dose, 1997), highlight the importance of organizational values. The possibility for distant management of subsidiaries (Nohria & Ghoshal, 1994) or functional activities like service productivity (Dobni, Ritchie, & Zerbe, 2000) is presented as an alternative to bureaucratic control (Ouchi, 1980). Hambrick and Mason's (1984) 'upper-echelons' theory relies on the connection between organizational outcomes and managerial values, and research has shown that organizational values affect the interpretation of strategic issues, strategic choice, strategic change, and management decision-making. An organization's ethical position (Finegan & Theriault, 1997), employee dedication (Ostroff, Shin, & Kinicki, 2005), and connections with external stakeholders (Voss, Cable, & Voss, 2000) are all shaped by the values held by the firm as a whole. In a nutshell, values affect crucial organizational processes and traits in a broad variety of ways.

Many academic works (e.g. Amis, Slack, & Hinings, 2002; Dobni et al., 2000; Van der Wal, de Graaf, & Lasthuizen, 2008) treat organizational values as if they were complete concepts. However, a closer examination of the idea reveals variations that show organizational ideals may take many shapes. To demonstrate, we may choose almost any company, government agency, or nonprofit and do a simple experiment. As a first step, we may try to find the company's declared values (Bansal, 2003). A link to "our values," often a list of four to seven words (such as "customer focused," "entrepreneurial," or "profit first"), may be found on most company websites. focused', 'empathetic,') with maybe a few lines of explanation and related actions. We might also look at papers like as annual reports and speeches where executives make value statements (Kabanoff, Waldersee, & Cohen, 1995). These corporate ideals are explicitly expressed and sanctioned by senior management.

On the other hand, we may have people explain the values of their group (Balazs, 1990; Pruzan, 2001). Statements like "there is an emphasis on excellence" or "this organization values tradition" or "here, principles matter more than rules" are common. The members of an organization may tell what kind of ideals it upholds by looking at the habits of its members. In contrast, if we were to ask members of the company what values they share, they could say things like, "we like to exceed targets," "we are keen to provide good service," "we want to be good team workers," and so on. Within their immediate work groups, members of a company are usually able to identify common values (Maierhofer, Rafferty, & Kabanoff, 2003; Schein, 1985). Finally, we may want to inquire as to what members consider to be ideal organizational ideals (Enz, 1988). You can count on them to make comments like "we need to be more responsive" or "we need to be more goal-oriented." Members may also define an alternative type of culture, distinct from that which has been developed through repeated acts, in the form of the ideal ideals they think their organization should embrace if it is to succeed in the long run.

Each of the above signifies a distinct form of organizational values: espoused, attributed, shared and aspirational. We contend that each is a valid but partial representation of an organization's values, and that the relationship between these forms is constantly fluctuatingin ways that hitherto are unexplored. While a number of theoretical models incorporate organizational values, gaps remain in our understanding of their dynamics. Some focus on

content, categorising value profiles that reflect organizational culture orientations (for example: Quinn & Rohrbaugh, 1983; Wiener, 1988; Kabanoff et al., 1995), while others explore the role of values in, for example, the dynamics of organizational culture change (Hatch, 1993; Schein, 1985) or structural change (Amis, et al., 2002; Greenwood & Hinings,1988; Hinings, Thibault, Slack & Kikulis, 1996). Such models yield many insights but do not explicitly explore the nature and dynamics of organizational values. This, we suggest, constrains theoretical and empirical dialogue, thus our ability to understand and explore an organizational phenomenon that is continually evolving.

This paper contributes to the substantial literature encompassing organizational values by isolating distinct forms and exploring relations between them. Development of the construct provides clarification of terms and exposes the dynamic nature of organizational values, offering scholars and practitioners the potential to explore further their influence and evolution. A fresh focus on organizational values is timely from both research and practice perspectives. The values construct is widely evoked in organizational literature, but tends to be compromised by lax conceptualization so that the progress of values research continues to be constrained by the lack of a common theoretical basis (Connor & Becker, 1994; Stackman,Pinder & Connor, 2000). At the same time, organizational values are increasingly being usedin practice to stimulate, and enforce, the alignment of behaviours (see, for example, Quappe, Samso-Aparici & Warshawsky, 2007), emphasising a form of normative control (Ouchi, 1980) that raises a number of issues around effectiveness and ethics.

In the following sections, we briefly set out key characteristics of values then expand upon four forms of organizational values, drawing from empirical studies in the extant literature. We develop a framework that shows the interrelationships between the forms of values, andwhich highlights the dynamic nature of organizational values. We then discuss four archetypal organizational value structures that arise out of tensions between forms and explore their origins in a series of propositions. Finally, we discuss the implications for research and practice, and offer suggestions for future research.

The organizational values construct

Values are defined as enduring beliefs that are personally or socially preferable to converse beliefs, which transcend specific situations, and which guide selection or evaluation of behaviour (Rokeach, 1973). Schwartz (1992; Schwartz & Bilsky 1987) identifies three 'universal human requirements' that form the basis for all values: the need for biological survival; the demand for social interaction; and social and institutional demands for group welfare. Differences in the relative importance placed on these requirements mean they holdpotential for conflict within and between individuals and groups.

In common with values more generally, there remains a lack of agreement amongst scholars regarding definitions and conceptualisations of organizational values (see Agle & Caldwell, 1999; Dose, 1997; Rohan, 2000). We explore their variation more fully in the following sections, but begin by setting out some essential characteristics. Our position is that organizational values embody those general values that guide organizational members in their selection or evaluation of behaviour. They represent a form of consensus regarding the values that a social group or organization consider important for its aims and collective welfare (Schwartz & Bilsky, 1987; Williams, 1960). The term 'organizational values' typically refers to the small number of values that together make up a value system. Individuals and groups develop value systems – broadly coherent arrangements of values that place greater importance on certain values over others – through experience and learning (Schwartz, 1992). Coherent value systems are stable and enduring: they are neither wholly fixed, for then there would be no ability for change, nor too fluid, for then there would be no continuity. Changes do occur over time as individuals and groups learn and adapt, but these are typically incremental, infrequent and limited by the requirementfor associated adjustments to other systems of belief and action (Meglino & Ravlin, 1998; Rokeach, 1973).

In contrast to personal values, which are located at the level of individuals who 'have' or possess their own values (Schwartz, 1992), group and organizational values possess particular characteristics that make the level of analysis difficult to isolate. As Rohan (2000, p. 265) points out, there 'is no consensus about whether to understand these in terms of the average of the group members' personal value priorities or, for example, group leaders' or other significant members' beliefs about what the group priorities should be'. Moreover, a group or organization's values may refer both to those that are presently held in common, andto those that it intends to reach in future (Williams, 1960). Rather than opting for the adoptionof one or other of these forms, we argue that each is valid and that it is their interrelation that provides the basis for a broader and more dynamic concept of organizational values.

Organizational values are closely connected to other organizational phenomena, in particular culture and institutionalism. Schein (1985) sees values as manifestations of shared basic assumptions, themselves revealed in organizational artefacts, while Gagliardi (1986) makes the distinction between primary characteristics of culture,

its basic assumptions and values,and secondary characteristics, which include artefacts and symbols. Both view values as integral to, but not homologous with culture, although in quantitative research studies, they frequently serve as proxies (O'Reilly, Chatman and Caldwell, 1991). From an institutional theory perspective, organizational values are the product of values prevailing in institutional fields, and which form the basis for organizational structures and routines (Greenwood & Hinings, 1988, 1996; Oliver, 1992). Conformity with the values of the institutional field is anissue of legitimacy: congruence between the values of the organization and its larger social system can assist in gaining support and access to resources, and so can be essential for survival (Ashforth & Gibbs, 1990; Parsons, 1956). Within organizations, groups such as professional associations and trade unions play an important part in transmitting the values oftheir groups to members. In highly professionalised institutional fields, such as health and education, members of organizations may be influenced by conflicting institutional values (Greenwood, Suddaby & Hinings, 2002).

Organizational Values: Aggregated or Collective

The notion that values are conceptual abstractions incorporating individual and group requirements (Schwartz & Bilsky, 1987; Williams, 1960), brings to attention the observationthat values are both personal cognitive structures and collective social structures (D'Andrade,2008). The dual level of values exposes a dilemma facing every individual: the extent to which we respond to our own requirements and desires, or to the socially-accepted desirable values that belonging to a group requires (Rohan, 2000).

Social psychologists explore values at the level of the individual, and understand a person'svalue system as 'a stable meaning-producing superordinate cognitive structure' developed through learning and elaborated through experience (Schwartz & Bilsky, 1987, p. 257).

Organizational values are aggregations of personal values that reveal shared cognitive structures, or as Rokeach (1979, p. 50) put it, 'institutional and individual values are really the opposite side of the same coin'. However, as Rohan (2000, p. 266) points out, differencesin values between individuals and the various social groups they belong to mean that 'people must decide whether to behave in line with others' expectations – consistent with social valuepriorities – or their own value priorities'. Moreover, not every social group holds the same values, and so the decision may differ when the social group concerned is one's work organization, family, community, religious group, and so on. Furthermore, social theorists do not share the psychologists' view that social values are simply aggregations of individual personal values, but instead recognize the influences of history, power and group dynamics (D'Andrade, 2008), which means that social values may be collectively agreed upon, but not necessarily shared by all (Hofstede, 1998).

There is therefore a distinction between social values as an aggregation of personal values, located at the level of the individual, and social values derived from precedence, power and influence, located at the level of the collective organization. Both the social psychologists' and the social theorists' representations of social values are accommodated in the four formsof organizational values, although the lines of distinction may not always be that clear.

Attributed values are collectively agreed upon social structures, not necessarily shared, but established and accepted. Espoused values are also collective social structures onto which carry a degree of power and influence and, while individual executives may privately disagree, collective responsibility means they are accepted as appropriate for the organizationas a whole. Aspirational values are those that some individuals and groups believe to be desirable for the organization and as such, they are shared personal cognitive structures.

The four forms of organizational values are aligned in the framework according to the extent to which they reflect an orientation embedded in past patterns or an orientation towards an intended future, and the extent to which they are at the level of collectively accepted social structures or the shared personal cognitive structures of organizational members.

Conclusion

There is a tendency for organizational values to be viewed as single, fully formed and stable entities. The ways in which the concept has been described and operationalized across a range of studies, however, reveals four distinct empirical forms of values, each of which has separately been the subject of inquiry in organizational research. In the literature, there are examples of comparisons between pairs of forms (e.g. Knoppen, Dolan, Díez-Piñol, & Bell, 2006; Kristof, 1996) and there are arguments in favour of one form over others (e.g. Pant & Lachman, 1998), or in conflating forms (Daly, Pouder, & Kabanoff, 2004), but the suggestion that these partial representations of organizational values might usefully be consideredtogether has not been previously proposed.

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