The Value of Values for Understanding Organizational Life

Editor’s Introduction to the Lead Article

Ute Stephan
King’s College London
King’s Business School
Bush House 30 Aldwych
London WC2B 4BG
United Kingdom
ute.stephan@kcl.ac.uk
Tel +44 207 848 09 07

Abstract
In this introduction to the lead article on “Values at Work”, I summarize key points made in the lead article and its commentaries including those relating to the mechanisms and boundary conditions of value-behavior relationships. I highlight links with the organizational and management literature, which pays increasing attention to the role of values in organizations. I note that there are many synergies yet to be explored between, on the one hand, work on values traditionally rooted in social and cross-cultural psychology and as represented by the lead article and commentaries and, on the other hand, management and organizational research. One example is research on the values of strategic leaders and viewing values as decision making standards that can shape organizations and their management.

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I am pleased to re-introduce the lead article format to *Applied Psychology: An international Review*. Invited lead articles are peer-reviewed and provide an overview of a field of research and insights for future research. They are published together with commentaries by other leading researchers and followed by a response from the lead article authors. The lead article by Arieli, Sagiv, and Roccas (2018) provides a valuable overview of research on personal values in organizations, while the responses by Fischer (2019), Maio, Hanel, Martin, Lee and Thomas (2019) and Smith (2019) offer insightful reflections for future research.

In this introductory note, I summarize key points made in the lead article and the commentaries – all authored by excellent social and cross-cultural psychologists. I also point to links with the organizational and management literature, which pays increasing attention to the role of values in organizations (Bansal, 2003; Chandler, 2014; Gehman, Trevino, & Garud, 2013; Shepherd, Patzelt, & Baron, 2013; Zak, 2011). My hope is that highlighting areas of common interest can inspire values research both in psychology and management.

Arieli, Sagiv, and Roccas (2018) survey the literature on personal values in organizations through the lens of Shalom Schwartz’s Theory of Human Values (Schwartz, 1992; Schwartz et al., 2012). They review evidence on how values relate to career choice and vocational interests; to behaviors at work including altruistic behaviors, competition and cooperation, status seeking, creativity/innovation, proactivity, reactions to organizational change and authority. They also elaborate on themes of person-environment, person-organization and person-job fit from a values perspective. Arieli et al (2019) offer suggestions for future research including the need to examine mechanisms that relate values
to organizational behavior, to explore a person-centric approach through investigating value profiles, and to be attentive to value change, for example, related to generational cohorts and economic changes.

The commentaries adopt different perspectives but share common themes: the need to understand better how (mechanisms) and when (boundary conditions) values influence organizational behavior. In addition, Fischer (2019) invites us to critically examine our assumptions underlying current theorizing on values. I discuss these three aspects in turn.

The commentaries highlight the relative lack of theory and our limited understanding of the mechanisms involved that connect values and organizational behaviors and point to several challenges in this regard. Firstly, the same values might be associated with very different behaviors in different contexts (Maio et al., 2019; Smith, 2019), in other words value instantiations differ across countries (Hanel et al., 2018) and potentially across different organizations. For example, the behaviors that are considered to reflect equal opportunity and the types of groups deserving access to equal opportunities vary across countries (Maio et al., 2019). This challenge of varying value instantiations may be one of the reasons for the low to medium effect sizes of value-organizational behavior relationships noted by Fischer (2019).

Secondly, and another reason for these low to medium effect sizes in value-organizational behavior research may be the bandwidth fidelity dilemma (BFD, Salgado, 2017). According to the BFD the strongest effects are typically obtained when predictor and criterion measures are matched on their level of specificity. The BFD has received a lot of attention in personnel selection research where it helps to understand the utility of broad personality traits such as the Big Five for different aspects of work performance (see Salgado, 2017). Values research may face a similar BFD: Schwartz’ values are broad general life
goals, while organizational behaviors reviewed by Arieli et al (2019) and of interest to management scholars are more specific.

Thirdly, while the focus of research is typically on how values impact behavior, the commentaries encourage us to ask whether, when and how behavior may shape values (Fischer, 2019, also Maio et al., 2019). This is a topic related to work on occupational and organizational socialization in management. Indeed longitudinal studies suggest that certain Big Five personality traits as well as specific traits such as proactive personality and locus of control may change in response to work characteristics (Li, Fay, Frese, Harms, & Gao, 2014; Wu, 2016; Wu, Griffin, & Parker, 2015). These effects may be even stronger for values, because of their cognitive-evaluative component. Thus, in efforts to justify actions and decisions at work, employees may through dissonance processes ultimately adjust evaluations of what is important to them (see also Fischer, 2019).

When do values influence behavior? The commentaries point to context as a boundary condition influencing the strength value-behavior relationships. Smith (2019) highlights research on cultural tightness-looseness (Gelfand et al., 2011) and that values show stronger relationships with behavior in looser cultures where individuals are free to express their values in behavior as opposed to tighter cultures where behavior tends to follow social norms. Fischer makes similar points and additionally considered moderating effects of socio-economic and resources constraints, which have similar effects to tight cultures. Yet these relationships may also dependent on the fit of cultural values with personal values (Boer & Fischer, 2013), whereby congruence in cultural and personal values renders personal values more predictive of behavior. Experimental work corroborates similar patterns of value congruence for organizational behavior (Andersson, Huysentruyt, Miettinen, & Stephan, 2017): Workers effort increased if the incentive design and nature of work (team vs. individual) was aligned with individual self-reported (self-transcendence vs. self-
enhancement) as well as primed organizational values (self-transcendence vs. self-enhancement).

Thus, research in management can further expand our understanding of the role of context for value-behavior relationships. For instance, by offering theory to understand salient aspects of the work context, job design (Parker, 2014) and reward systems (as in Andersson et al., 2017 discussed above). Moreover, research on country contexts and especially theory on different formal institutions (Estrin, Mickiewicz, & Stephan, 2013) suggests that countries with a strong rule of law, i.e. with independent courts that enforce contracts and the rights of citizens, may allow individuals to express their values more freely and thus speak for stronger value-behavior relationships. This is because a strong rule of law enhances predictability and reduces uncertainty (e.g. Estrin et al., 2013).

Fischer (2019) encourage us to reflect on the underlying assumptions when we consider values as stable aspects of personality and a source of behavior. He points to recent research that finds that day-to-day ‘lived’ values differ from trait-values. Indeed, organizational and management research considers similar issues of when and how organizational values reflect organizational practices and how the two can be aligned so that espoused values become values that are lived within organizations (e.g., Gehman et al., 2013); or alternatively how deeply held values are disengaged to pursue value-incongruent actions (Shepherd et al., 2013).

There are opportunities to further contextualize values research. Considering types of organizations and sectors as context can both enhance our understanding of individual behavior in organizations and of the behavior of organizations themselves. Different types of organizations and sectors often emphasize certain values, de-emphasize others, and allow different degrees of deviation from core values (akin to different degrees of value-looseness
or tightness). For instance, values across stock-market listed firms are likely to be homogeneous (and focused on self-enhancement) as these firms abide by common reporting rules and are subject to performance/profit pressures by investors. Moreover, firms self-select to list on stock markets to fuel their growth (i.e. based on self-enhancement values). Charities and nonprofits are equally subject to regulatory control regarding their aims to benefit society and, thus, may be relatively homogenous in their focus on self-transcendence values. By comparison, there is likely more value diversity among privately held firms and start-ups which are much less subject to regulatory forces or oversight by governing boards.

An intriguing research setting are organizations that seek to blend different values that according to value theory are inherently in conflict, e.g., self-enhancement values with self-transcendence values. Examples for such organizations are mission-oriented commercial firms, social enterprises, employee-owned organization and increasingly universities and arts organizations that face pressures to be self-sustaining rather than depend on government funding. Some of these ‘hybrid’ organizations are able to balance conflicting values successfully and even derive synergies from doing so (e.g. in terms of organizational performance and growth (Battilana, Sengul, Pache, & Model, 2015) and innovation (Stephan, Andries & Daou, 2019). Distinct value-informed management practices (Weber, Unterrainer, & Höge, 2019) may help to achieve balance among conflicting values. Yet how individuals within these organizations achieve such balance is not understood (even though there is some evidence that such balance is possible, Frimer, Walker, Dunlop, Lee, & Riches, 2011). Research on individual value profiles as called for by Arieli et al. (2019) help to answer this question. Such research should also seek to shed light on the consequences of value-balancing – for instance, might there be a longer-term cost to individual’s wellbeing because balancing conflicting values requires ongoing psychological effort?
Arieli et al. (2019) acknowledged the important role of managers and reviewed the scarce research on the values of middle managers and CEOs. The role of the values of strategic leaders including CEOs, top management teams and entrepreneurs warrants more research attention because of the significant influence strategic leaders can have on the lives of many individuals. Strategic leaders shape the management practices and strategic choices of organizations (Carpenter, Geletkanycz, & Sanders, 2004; Hambrick, 2007). In doing so, they influence the lives of their employees and indirectly touch the lives of citizens who are often involuntarily exposed to the consequences of organizations’ actions (e.g., environmental pollution). Yet organizations can also play a positive role in society from promoting healthy eating to aiding poverty alleviation (Stephan, Patterson, Kelly, & Mair, 2016). The values of strategic leaders appear to play an important role in pursuing such courses of action. For instance, researchers have linked CEO values to their firm’s engagement in socially responsible management practices by using political affiliation as a proxy to infer the CEOs values (Chin, Hambrick, & Treviño, 2013). More research using actual measures of values is called for. Because they are often more accessible to researchers than the CEOs of larger firms, entrepreneurs and business owners of smaller firms may be a particularly useful sample to study the effects of the values of strategic leaders on organizational design, the nature and quality of work provided to employees as well as on employee and firm wellbeing and performance (Gorgievski & Stephan, 2016). Thus, the true value of values for understanding organizational life might lie in developing our understanding of how organizational choices are made; and in applying insights from research on values as decision making standards.

1 Of course their influence is not absolute and is sometimes overemphasized (Meindl, Ehrlich, & Dukerich, 1985).
References


