LINKING INDIVIDUAL AND ORGANISATIONAL VALUES: A CASE STUDY IN UK CONSTRUCTION

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Values hold a prominent place in both business ethics and organisational theories, and there is a detectable shift from management by instructions and objectives to management by values (Dolan and Garcia, 1999). Some organisations now devote significant energy to integrating values and beliefs into their business practices, which requires a clear and thorough understanding of the organisational values in the first place. Many believe that organisations should have values that both reflect the collective values of all employees and align with individual values (Sawhney, 2002; Peat, 2003; Jaffe and Scott, 1998). However, there persists considerable confusion about how organisational values should be developed. While many organisations have values statements, most were generated by those in a leadership position, which often fail to relate to the employees' personal values. This paper presents a values study conducted in an organisation in the UK construction industry. By utilising a questionnaire survey instrument developed upon the Schwartz's theoretical framework of human values (Schwartz, 1992), employees' values profiles were collected and analysed. A follow-up workshop facilitated the identification and sharing of the common values, established the linkage between individual and organisational values, and as a result, a set of values statements were developed by the employees themselves. This bottom up approach made the organisational values explicit in an understandable and useful way, and improved the congruence between individuals and the organisation.

Keywords: individual, organization, values, values statements.

INTRODUCTION

Today's business environment is becoming more and more complex, demanding and unpredictable. In the interests of corporate survival and differentiation, many organisations are searching for better ways to manage and develop their businesses.

Over recent years values have been holding a prominent place in both business ethics and organisational theories, and there is a detectable shift from management by instructions (MBI) and objectives (MBO) to management by values (MBV) (Dolan and Garcia, 1999). MBV is also referred by others as Values Based Management (VBM), Values Based Culture (VBC), or Values Based Leadership (VBL). Pruzan (1998) pointed out that there is an on-going shift from a traditional efficiency-and-control perspective to a values based perspective on management. Meanwhile, Vogelsang (1998) argued that organisations have instituted decentralized structures that rely less on control by a central office and more on a shared understanding of their core purpose and core values. Furthermore, Pasternack and Viscio (1998) claimed that VBL is a must in modern flat organisations characterized by transparency and easy availability of information.

In practical business terms, the aim of VBM is to create conditions under which all employees can perform independently and effectively toward a single objective (O'Toole, 1996). Dolan and Garcia (1999) claimed that MBV has a triple purpose: a) Simplifying the organisational complexity created by the ever-increasing need to adapt to change at all levels in the company; b) Guiding strategic vision towards the future destination of the company; and c) Securing commitment of every employee to deliver a high quality performance in the day-to-day work.

In response to this shift, some organisations now devote significant energy to integrating values and beliefs into their business practices, such as General Electric, Microsoft, Levi Strauss, AT&T, and Nordstrom. They have all achieved enduring success. By researching many successful companies, Collings (1996) pointed out that these companies all have core values and a core purpose that remain fixed while their business strategies and practices endlessly adapt to a changing world. The dynamic of preserving the core while stimulating progress made them become elite institutions able to renew themselves and achieve superior long-term performance.

PERSONAL VALUES

Values are the deepest and most powerful motivators of personal action. They represent an organizing principle for our lives, as well as for an organisation. Rokeach (1973) defines a personal value as "an enduring organisation of beliefs," that are "general plans employed to resolve conflicts and to make decisions." England (1967) considered a personal value system as a relatively permanent perceptual framework that shapes and influences the general nature of an individual's behaviour. He argued that values are similar to attitudes, but are more ingrained, permanent, and stable in nature. Based on many common definitions, Argandoña (2003) defined values in a broad sense as "central desires or beliefs regarding final states or desirable conducts that transcend specific situations, guide the choice and evaluation of our decisions and, therefore, of our conducts, becoming an integral part of our way of being and acting to the point of shaping our character."

According to Schwartz (1992), there are five formal features of values recurrently mentioned in the literature: Values are concepts or beliefs; they pertain to desirable end states or behaviours; they transcend specific situations; they guide selection or evaluation of behaviour and events, and they are ordered by relative importance. Further, Meyer (1998) discussed that values "can provide a context that facilitates and enables local, independent action."

ORGANISATIONAL VALUES

An organisation's values are the criteria by which employees make decisions about priorities (Christensen, 2001). They are often defined as the shared values of all employees. These shared values are relatively stable, enduring and interact with a company's people and organisational structure to produce patterns of behaviour (Chatman, 1991).

In organisations' unending quest for value, it is not uncommon that some of them complained they have to compromise their organisational values. Nevertheless, managers and researchers around the world are becoming increasingly aware that it is the organisational values that drive the business. Haas and Howard (1990) stated that a company's values are crucial to its competitive success. Edgeman (1998) pointed out that competitive demands call for profoundly conscious organisations where there

arises only one mind. He claimed that nurturing this "one Mind" or "Unity of Purpose" relies on clear, consistent communication of a shared but not imposed core value set. Furthermore, Sawhney (2002) claimed that values should form the foundation upon which the edifice of value creation must rest. Echoing these points, Peat (2003) argued that companies which are most successful over the long term are those which incorporate their cultural values at the core of their everyday business operations, and those who emphasised on both the business values that underpin a company's culture and the business value position offered to customers and stakeholders.

Companies that establish and communicate positive corporate values can experience a significant reduction in counterproductive behaviour. On the other hand, companies that concentrate on the physical aspect of their being, and ignore their emotional, mental and spiritual needs can hardly survive (Geus and Senge, 1997)

Traditionally the organisational values are established by the founders and compounded further by the personalities and transforming activities of their inheritors. (Anthony, 1994; Collins and Porras, 1997). More recently, Dearlove and Coomber (1999) pointed out that the key to define organisational values is to "capture what is authentically believed, not what other companies select as their values or what the outside world thinks should be the values".

LINKING INDIVIDUAL AND ORGANISATIONAL VALUES

Values are fundamental and enduring aspects of both people and organisations. Because values are common to both organisational culture and individual personality, they serve as a linkage between individuals and their organisation.

Organisations do not possess values apart from the values of their members. An organisational values system (or culture) is said to exist when 1) individuals know that group support for a given belief exists; 2) a majority of active members are in agreement; and 3) the core values of an organisation are intensely held throughout the organisation (Chatman, 1991).

In many organisations, managers and employees are often unaware of the values they possess and also tend to misjudge the values of others. Understanding individual and organisational values can help managers select employees whose values and beliefs match those of the organisation and configure ways to strengthen that match. Thus the research of linking individual and organisational values may provide legitimate insight into improving fit and retaining employees over the long term. Particularly in the construction industry, which is known for high levels of employee turnover, this information could be invaluable.

Many believe that organisations should have values that both reflect the collective values of all employees and align with individual values (Sawhney, 2002; Peat, 2003; Jaffe and Scott, 1998). However, there persists considerable confusion about how organisational values should be developed. While many organisations have values statements, most have been generated by those in a leadership position, and they often fail to relate to the employees' personal values. As a result, these lofty values are difficult to enact and sustain.

CASE STUDY

Identifying a company's values should be the essential first step to a value-based management approach. The case study discussed below is an attempt to articulate the individual and organisational values, and establish the linkage between the two in a systematic way.

Background

The case study presented in this paper is a pilot study conducted in a professional construction management services organisation. In 2004, the time when this study was initiated, the company reached a critical point in its evolution. Following three years of incorporation from a partnership company to private limited company and a period of consolidation, the organisation faced great challenges as well as opportunities to set a vision for its future. This calls for clear understanding of the organisational core values, upon which the business strategy can be developed. However, although the company has formal vision and mission statements, they were compiled by top management, and there was little emphasis on organisational and human values.

Methodology

The study adopted a bottom-up approach which focuses on characterising the organisation's values by surveying the values of its members.

In the domain of organisational values research, many researchers prefer qualitative research instruments, for it helps researchers understand the organisational values and cultures as artefacts and stories (Smircich, 1983). However, methods such as observation and interviews may encourage employees to behave differently (usually better) and respond to interview questions in a way they perceive to be socially desirable. Quantitative methods, on the other hand, offer advantages for cross-sectional organisational research and large-scale studies (Cooke & Rousseau, 1988). They are replicable in different units and enable the researchers to compare data across studies. Yet it may not enable the researcher to capture the rich details behind the data. With regard to these, both quantitative and qualitative research methodologies, particularly questionnaire surveys and workshop discussions were used in this research, with the attempt to plot a true picture of the office's values profile.

Questionnaire Survey

The purpose of the questionnaire survey was to capture employees' personal values and link them with the organisation's values. Case study scholars, such as Yin (2003), emphasize the importance of using a theoretical framework to guide the study. Therefore, this case study examined the individual and organisational values through the lens of the well-established values framework developed by Schwartz in the 1990s (Schwartz, 1992). The questionnaire measures individuals' opinions of the relative importance of 56 generic values. It adopted a normative format (Chatman, 1991). Respondents were asked to use a scale from -1 to 7 to rate all value items according to their importance level in their working life. Thus, values are assessed independently of one another, which makes it possible to capture absolute—interpretable and meaningful— differences between scores.

The received questionnaire responses were aggregated and analysed within Schwartz's ten value categories, namely universalism, others-oriented, tradition, conformity, security, power, achievement, hedonism, stimulating, self direction, plus one "not categorised" section, as show in Figure 2.
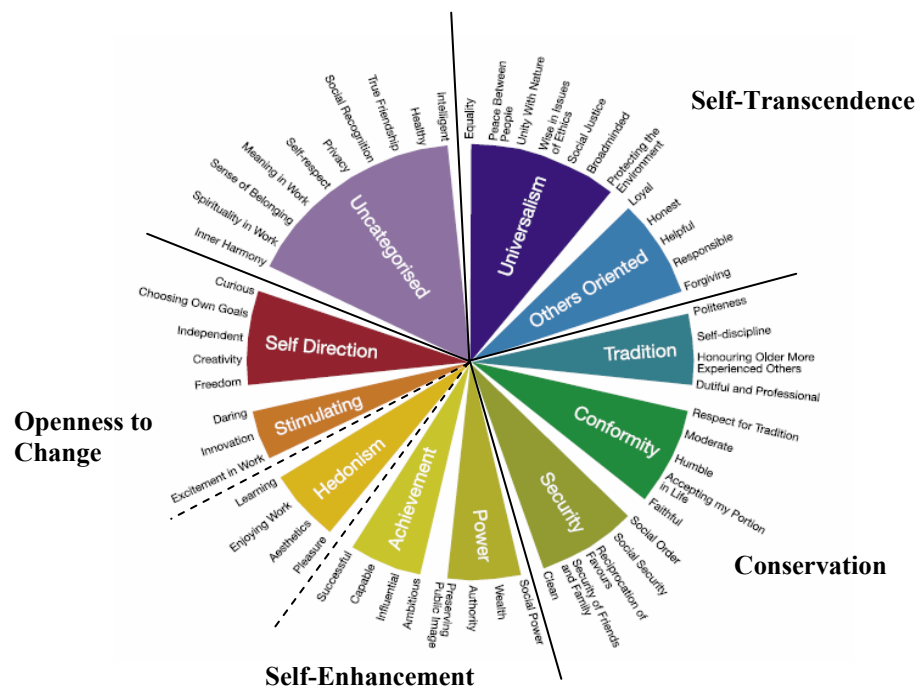

Figure 11: Structural relations among the 10 values categories and the four higher order values groups. (After VALiD, 2005)

According to Schwartz's values classification theory, the chart has a circular, two-dimensional structure. The 10 categories noted above can be grouped into four higher order groups, which demonstrate two values dimensions. The first dimension 'openness to change vs. conservation' contrasts values emphasizing independent thought and action and favouring change to those stressing submissive self-restriction, preservation of traditional practices, protection and stability. The second dimension 'self-transcendence vs. self- enhancement' compares values emphasizing acceptance of others as equals and concern for their welfare to those insisting on the pursuit of one' own relative success and dominance over others. Hedonism is related both to openness to change and to self-enhancement.

The values of each individual respondent and those of their office were plotted in a radar diagram (Figure 3). This allowed people to compare their own value scores against the organisational average scores.

Furthermore, the number of people who perceived each value item as of high, medium and low importance was calculated, from which the alignment and strength of value perceptions between these individuals was revealed. The value items were then prioritised as shown in Table 1.
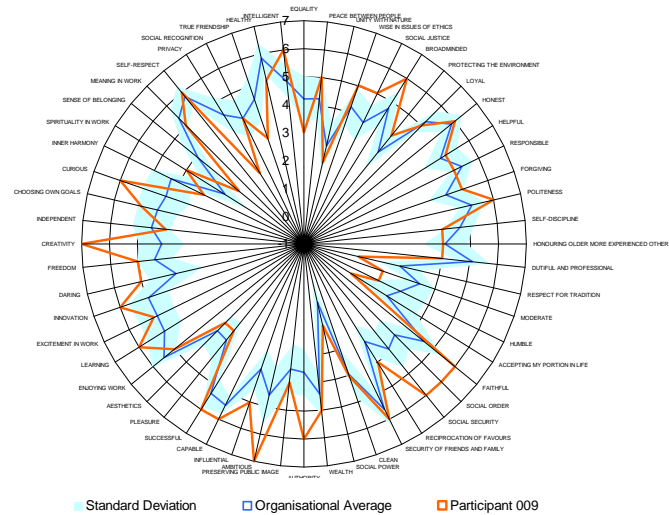
Figure 12: Example of an individual's values chart

Table 6: The 10 very/supremely important values viewed by the individuals

Category	Value statement	Very important or supremely important (5,6,7)	Organisational Standard Deviation of Individual Values Scores
1	CAPABLE	23	0.650641
2	HONEST	23	0.943398
3	RESPONSIBLE	22	0.852447
4	MEANING IN WORK	22	0.860233
5	SELF-RESPECT	22	0.912871
6	HEALTHY	22	1.106044
7	ENJOYING WORK	20	1.084743
8	POLITENESS	19	0.957427
9	LOYAL	19	1.040833
10	SUCCESSFUL	19	1.144552

Meanwhile, differences between the genders, professional disciplines and management levels, etc. were also examined by analysing the responses from different sub-groups.

Workshop
Further to the questionnaire survey, a half-day workshop was designed and held with the aim to create an environment for people to share their individual values with others.

Four workshop groups were formed based on people's experiences and their length of service in the organisation. The groups' value charts were then produced by plotting all the group members' value diagrams in one chart. Furthermore, an Excel spreadsheet was established to calculate the skewness of the frequency distribution of each value items within the group. This facilitated the identification of the most and least important values for each group. Figure 5 shows an example of the group values chart.

In the workshop, two questions were discussed: 1) Why are these values of high and low importance for your work in the organisation? 2) How are the peaks (important values) reflected in your work practices?

Each group came up with a set of core values that they felt should be adopted by the organisation. There were lively debates about which ones were most important for their work and were essential to continued high performance. Each group then shared its proposed values with the others. Group discussions helped communicate and justify the most important values for the group, express them in their own words and identify their link to company practices. The most important values and their link to the work practices were collaboratively plotted onto a blank values chart to build an overall organisational values profile.

Results

In the study, an electronic version of the Values Questionnaire was circulated to all 25 employees in one UK office of the company. With the support from the office director, a total of 25 emailed questionnaires were completed and returned, which is a 100 percent response rate. This is an ideal situation as the result can be considered as every employee's perceptions and hence should give a representative picture of this office's values profile. As a result, 25 individual values profiles and an organisation values profile were produced. Data obtained from the questionnaire survey and workshop discussion revealed that the core values (Top 10) for that office were:

1) Capable 2) Honest 3) Responsible 4) Self Respect 5) Healthy 6) Meaning in Work 7) Successful 8) Security of Friends and Family 9) Politeness 10) Enjoying Work

Meanwhile, the lease important values were identified as 1) Social power 2) Accepting my Portion in Life 3) Spirituality in Work 4) Respect for Tradition 5) Unity with Nature.

When linking these values into the work practice, several key issues were raised, such as the lack of two-way communication, the importance of teamwork, and the difficulty in maintaining work-life balance.

The data analysis provided a clear indication of the very nature of the organisation. While the survey helped to plot the big picture of the company's values profile, further detailed information was revealed by examining the values differences between various sub-groups, e.g. professional disciplines, management levels and genders, etc. The finding suggested that in this office, there were no significant differences between people from different professional disciplines; the values of the managers in the dimension of 'Self-enhancement' and 'Openness to change', on the average, are higher than that of the employees; on the other hand the employees gave higher scores to the dimension 'Self-transcendence' and 'Conservation'; further, the test revealed some differences in certain value items between female and male staff, e.g. female employees gave much higher scores to "equality", "honouring older more experienced others" and "learning", while the male staff ranked "healthy" and "daring" much higher.

Finally, the questionnaire survey results and the workshop discussion outcomes are combined together. Core values were identified and then grouped. The whole process informed the formulation of organisational values statements that describe core beliefs and attitudes. The individual values statements were presented in descending order of importance. Listed below are some of the statements produced for this office:

> **Professionalism** We take an active role in developing ourselves to the highest potential and strive for personal and professional excellence.

> **Integrity** We value self-respect and dignity and treat all people with courtesy and respect; we are dedicated to high ethical and moral standards that include honesty, loyalty and responsibility.
>
> **Client-focus** We make every effort to satisfy and exceed our internal and external customers' needs, and strive for long-term relationships with our clients.

The statements were developed in a joint effort, therefore they were well accepted by the employees. They have already been used in the Office's recruitment advertisement with the intention of demonstrating the company's identity and attracting people who have not only suitable professional backgrounds, but also share the same values as the organisation. It is also intended to integrate these values into the appraisal system to check whether these 'words' have been transferred into 'deeds' in the daily work.

CONCLUSIONS AND RECOMMENDATIONS

In conclusion, the study helped the organisation to align its organisational values with the employees' individuals' values. With the values statements as a road map, the organisation will be able to create and sustain a competitive advantage, strengthen it day by day, therefore meeting and exceeding the current and future demands placed upon it.

The method used in this study is a simple and effective way of understanding, expressing and sharing individuals' and organisational values. The process of creating the statements (entailing reflection and self-examination) is more valuable than the words ultimately written. Exploring values helped the employees to understand their own values and the organisational-shared values. Different from the traditional top down approach to define the organisational values, this is a bottom up approach which focuses on align the organisational values with the individuals' values. Therefore, it can help the organisation to eliminate organisational bureaucracy, encourage employee involvement and embrace continuous improvement-oriented approaches throughout the organisation.

The questionnaire survey enabled the participants to become self-conscious and articulate about their own values and believes. As a useful tool, it makes the values visible, comparable and more importantly, helps reveal the strength and alignment of the values within the organisation, from which the organisational core values can be identified. Moreover, this values study opened a values dialogue among all the participants. It helps people to realise and respect the individuals' values divergence, identify their shared values within the organisation, and align organisational core values with individual values. By discussing what is valued in their work and how they believe the work should be carried out, people's values became meaningful in an organisational context. The establishment of the values statements formulated a values framework for the organisation. People can continue to refer to them to make sure they are on track. On the other hand, it also reminds people what values they do not hold, which is equally crucial.

In addition, the study helped management realise that human values form the basis of the business strategy. Strategies should be formed according to prevailing values and behaviours in the organisation. This must be clearly identified and understood, or else it will face the difficulty in getting it through. The investigation of organisational values provided management with a platform from which to define organisational vision, mission and objectives.

From this pilot study, it was clear that special attention should be paid to the following key issues when undertaking the values study in an organisation:

1) Creation of Value-Sharing Environment

Although identifying core values is a vital factor in people's life as well as business management, it is a factor that often suffers from the lack of a value-sharing environment. People need to be taught how to be heard, and need to feel that the environment allows and nurtures participatory. This environment can be created by continuous encouragement, confidentiality assurance and the promotion of a values dialogue among individuals.

2) Need of leadership commitment

Even though the whole study is a bottom-up process, endorsement and commitment must be given from the top-level management. This is essential for successful implementation of the whole approach. Without a champion at the senior level, it will be difficult to initiate the whole process, as the result may seem to be intangible at the beginning, although people will begin to experience the benefits at the end of the study.

3) People-related issues

People's unwillingness to share their opinions, as well as time and resource constraints, may result in resistance from employees. Therefore, it is important to explain the instruction in advance, especially the purpose of the study and the potential benefits for the individuals and organisation. People's ideas need to be treated seriously and rewarded. It is also important to provide quick and meaningful feedback at the end.

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