

DISSERTATIONES RERUM OECONOMICARUM
UNIVERSITATIS TARTUENSIS

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27

KRISTA JAAKSON

Management by values:
the analysis of influencing aspects and
its theoretical and practical implications

The Faculty of Economics and Business Administration, University of Tartu,
Estonia

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THE LIST OF AUTHOR'S PUBLICATIONS AND CONFERENCE PRESENTATIONS

I. Monographs and chapters in monographs

1. **Jaakson, K.** (2006). Exploring university core values with critical incident technique: the example of students' perceptions in university of Tartu, *National And International Aspects Of Organizational Culture*, pp. 49–85. Tartu: Tartu University Press
2. **Kallaste, E.; Jaakson, K.** (2005). Töötajate kaasamine Eestis: juhtumiuuringutel põhinev analüüs. Tallinn: Eesti Tööandjate Keskliit, Poliitika-uuringute Keskus PRAXIS. (in Estonian).

II. Articles in international journals

1. **Jaakson, K.** (2010). Engagement of Organizational Stakeholders in the Values Formulation Process. *Atlantic Journal of Communication*, 18(3), *forthcoming*.
2. **Jaakson, K.; Vadi, M.; Tamm, K.** (2009) Organizational Culture and CSR: An Exploratory Study of Estonian Service Organizations. *Social Responsibility Journal*, 5(1), pp. 6–18.
3. **Jaakson, K.; Reino, A.; Vadi, M.** (2008/2009). Organizational Values and Organizational Practice: What Makes them Diverge? *EBS Review*, 25, pp. 9–25.
4. **Jaakson, K.** (2008). Students' Perceptions about University Values: Some Influencing Factors. *Journal of Human Values*, 14(2), pp. 169–180
5. **Kallaste, E.; Jaakson, K.; Eamets, R.** (2008) Two representatives but no representation - cases from Estonia. *Employee Relations*, 30(1), pp. 86–97.

III Other research articles

Working papers

1. **Jaakson, K.** (2008). The Role of Organisational Stakeholders in the Formulation of Values Statements. *Tallinn University of Technology Working Papers in Economics (TUTWPE)*, 25(171), pp. 41–53.
2. **Kallaste, E., Jaakson, K., Eamets, R.** (2007). Two Representatives but No Representation: an Analysis of Two Cases of Estonia. *Tartu University Faculty of Economics and Business Administration Working Papers*, 48.
3. **Kallaste, E.; Jaakson, K.** (2006). Töötajate kaasamine ettevõttes esindajate kaudu. *Riigikogu Toimetised*, 13, pp. 150–157.
4. **Vadi, M.; Jaakson, K.** (2006). The Importance of Value Honest: Determining Factors and Some Hints to Ethics. *Tartu University Faculty of Economics and Business Administration Working Papers*, 43.
5. **Jaakson, K.; Reino, A.; Vadi, M.** (2004). Organisational Values in the Framework of Critical Incidents: What Accounts for Values-based Solutions? *Tartu University Faculty of Economics and Business Administration Working Papers*, 29.

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1. **Vadi, M.; Jaakson, K.** (2008). The Importance of Value Honest: Determining Factors and Some Hints to Ethics. *Meiji Business Review*, 55(1–2), pp. 143–162 (in Japanese).
2. **Jaakson, K.; Vadi, M.** (2006). Kas ja kelle jaoks on ausus veel tähtis? *Director*, 4, pp. 38–39.
3. **Jaakson, K.; Kallaste, E.** (2005). Töötajate kaasamine: kas põhjendatud meetod või ajaraiskamine? *Director*, XII, pp. 10–12.

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1. **Kallaste, E.; Jaakson, K.** (2005). Employee participation: case study of Estonian companies. http://ettk.employers.ee/upload/koolitus_fail/Partnerlus/IK_Report_2005_ENG.pdf
2. **Kallaste, E.; Jaakson, K.** (2009). Kaugtöö Eesti organisatsioonides. Juhtumiuuringud. (in Estonian). http://www.telework.ee/public/Juhtumiuuring_Loppraport_vaike.pdf

IV. Conference publications

1. **Jaakson, K.; Kallaste, E.** (2009). Beyond Flexibility: Reallocation of Responsibilities in Case of Telework. *Proceedings of the IV International Conference on Management Theory and Practice: Synergy in Organisations*. (The best paper award by Saint-Gobain Glass Estonia AS).
2. **Jaakson, K.** (2009) Engagement of Organizational Stakeholders in Values Statement Formulation Process. *Proceedings of the Annual Conference of Estonian Economic Association*.
3. **Jaakson, K.; Vadi, M.; Tamm, K.** (2008). The Role of Organizational Culture in the Corporate Social Responsibility of Estonian Service Organizations. *Work Values and Social Responsibilities in a Changing World: From Being Good to Doing Good*. ISSWOV, pp. 12–21.
4. **Vadi, M.; Jaakson, K.** (2006). The Value Honesty in Former Soviet Bloc Countries: Some Hints to Ethics. *4th Workshop on International Strategy and Cross Cultural Management*; Mattimar OÜ.
5. **Kallaste, E.; Jaakson, K.; Eamets, R.** (2006). Union vs non-union representation of employees if both representatives have similar legal rights. *Proceedings of PhD Students Summer School*, pp. 100–110.
6. **Jaakson, K.; Reino, A.; Vadi, M.** (2006). Managing by Values at the Workplace: What are the Main Stumbling-Blocks? *In: Work Values and Behavior: International Conference on Work Values and Behavior*, ISSWOV, pp. 26–35.
7. **Jaakson, K.; Reino, A.; Vadi, M.** (2004). Critical Incidents at Work: What Accounts for Values-Based Solution? *Work Values and Behavior: International Conference on Work Values and Behavior*. ISSWOV.

V. Conference presentations

1. **Jaakson, K.** Beyond Flexibility: Reallocation of Responsibilities in Case of Telework, *Management Theory and Practice: Synergy in Organisations: IV International Conference*, 3–4 April 2009, Tartu, Estonia.
2. **Jaakson, K.** Sidusgruppide kaasamine organisatsiooni väärtuste sõnastamisel, *The Annual Conference of Estonian Economics Association*, 30–31 January 2009, Toila, Estonia.
3. **Jaakson, K.** The Role of Organizational Culture in the Corporate Social Responsibility of Estonian Service Organizations, *ISSWOV 11th International conference on Work Values and Social Responsibilities in a Changing World: From Being Good to Doing Good*, 22–25 June 2008, Singapore.
4. **Jaakson, K.** Organisatsiooni sidusgruppide roll väärtuste sõnastamisel, *Juhtimine: eile, täna, homme, XIV International Conference of Tallinn University of Technology*, 17–18 April 2008, Tallinn, Estonia.
5. **Jaakson, K.** Managing by Values at the Workplace: What are the Main Stumbling-Blocks? *ISSWOV 10th International conference on Work Values and Behavior*, 25–29 June 2006, Tallinn, Estonia.
6. **Jaakson, K.** Töötajate kaasamine Eestis: juhtumiuuringutel põhinev analüüs, *Annual Conference of Estonian Economics Association*, 20–22 January 2006, Pärnu, Estonia.
7. **Jaakson, K.** Töötajate kaasamine Eestis: juhtumiuuringutel põhinev analüüs, *Partnerlus ettevõttes: monoloogist dialoogini, Estonian Employers' Confederation Conference*, 25 November 2005, Tallinn, Estonia.
8. **Jaakson, K.** University Core Values: Competitive Advantage in Estonian Higher Education Business? *ELASM 11th Workshop on Managerial and Organisational Cognition*, 3–5 March 2005, Munich, Germany.
9. **Jaakson, K.** Critical Incidents at Work: What Accounts for Values-Based Solution? *ISSWOV 9th International Conference on Work Values and Behavior*, 3–6 August 2004, New Orleans, USA.

INTRODUCTION

List of papers

This dissertation is based on the following original publications, which will be referred in the text by their respective numbers.

1. **Jaakson, K.** (2010). Engagement of Organizational Stakeholders in the Values Statement Formulation Process. Accepted for publication in *Atlantic Journal of Communication*, 18(3).
2. **Jaakson, K.** (2008). Student Perceptions about University Values: Some Influencing Factors. *Journal of Human Values*, 14(2), pp. 169–180.
3. **Jaakson, K., Vadi, M., Tamm, K.** (2009). Organizational Culture and CSR: An Exploratory Study of Estonian Service Organizations. *Social Responsibility Journal*, 5(1), pp. 6–18.
4. **Jaakson, K., Reino, A., Vadi, M.** (2008/2009). Organizational Values and Organizational Practice: What Makes them Diverge? *EBS Review*, 25(1), pp. 9–25.

The importance of the topic

Views of the organisation and management, once dominated by scientific management (Taylor, 1911) and weberism (Weber, 1947)¹, where the organisation was deemed an impersonal and mechanistic entity, have changed dramatically. The role of individual employees in organisations has increased sharply, and according to contemporary theories, organisations are now seen to resemble living organisms with their distinct psychology. Owing to this, values have become a standard concept in management literature, but are also emphasised in the literature in various fields of organisational behaviour such as strategic planning (Williams, 2002), strategic network cooperation (Järvensivu, 2007), branding and marketing (Wilson, 2001; Urde, 2003), organisational change (Marginson, 2009), corporate governance (Thomsen, 2004), knowledge management (Hall, 2001), mergers (Mattila, 2007) etc. While values as the heart of organisational culture were deemed as the cornerstones of competitive advantage in the market two decades ago (Barney, 1991), it is now believed (Raich, Dolan, 2008) that organisational values-based behaviour is necessary for survival rather than as a source of advantage.

¹ Max Weber's (1864–1920) seminal book on “The Theory of Social and Economic Organization“ was translated to English and published post-mortem.

It must be noted that values are not merely an organisational level phenomenon; furthermore, the widespread scholarly focus on organisational values emerged only a few decades ago. In a way, values research was opened by Elton Mayo, who studied informal work-groups in the Hawthorne plant of the Western Electric Company in the 1920s and 1930s. It was then recognised that informal groups develop their own norms and values and since then, groups as a unit of analysis for values research has been widely used. Chronologically, the next level of values research was established by Milton Rokeach, who conducted extensive research on individual values in the late 1960s. Thereafter, the notion of national cultures was explored by Geert Hofstede in the late 1970s and 1980s, and while the unit of analysis in his case was still the individual, values were generalised and compared with nations. In the 1980s, organisational culture literature came on the scene, and initiated by Terry Deal, Allan Kennedy, and Edgar Schein, the concept of organisational values established itself.

There is logic in the late development of organisational values: these were influenced by the values of other levels. Values at the individual (past and current members of the organisation), group (formal and informal) and national (the society where the organisation operates) level all affect the values attributed to the organisational level (see Figure I). As for individual values and group values the influence is reciprocal.

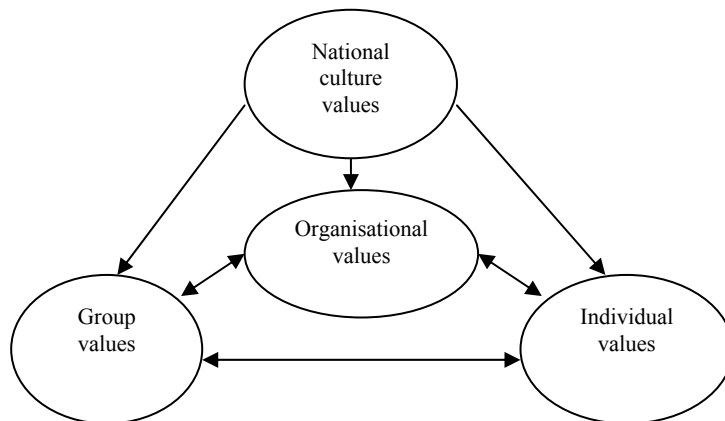


Figure I. Relationship between organisational values and values at other levels
Source: compiled by the author

However, it is only at the organisational level that the management of values is viable and topical. In the case of the other levels, the term “value development”² is used, but only at the organisational level is it believed that values can be

² For instance, “Value Development in the Estonian Society (2009–2013)” program by Estonian Ministry of Education and Research.

created as well as managed deliberately, and management by values captures these ideas. Indeed, there is an increasing worldwide trend in business and non-business organisations to at least adopt some elements of management by values. For example, 70% of Fortune 500 companies have defined their values in addition to mission and vision statements (Speculand, Chaudhary, 2008) and 45% of the organisations annually surveyed in the UK reported that they were becoming more values driven (Garrow, Stirling, 2007). In Estonia, similar developments have emerged. Beljajeva (2007) analysed large Estonian enterprises (with more than 500 employees, 45 altogether) in her master thesis and found that as much as 94% had formulated organisational values.

Interestingly, despite widespread practice and numerous scholars in this field, there is still no consistent use of the terminology to describe organisational values and in particular their management. The term “value” itself seems to generate confusion because management literature employs it both in the psychological and the economic sense. To illustrate this, there are two very different meanings for the “value based management” concept. One is associated with organisational values in a cultural sense, whereas the other focuses on a specific method of financial management. But even in the cultural area of values, the definitions behind the concepts often differ in the literature – for example, organisational values, value congruency or value fit do not have universally accepted definitions. The current thesis defines organisational values as latent constructs that refer to the way in which people evaluate activities or outcomes based on the definition by Roe and Ester (1999). Management by those values is defined by the author as a series of interconnected managerial activities to ensure the acceptance of relevant organisational values inside and outside the organisation.

Literature on management by values largely rests on the integration perspective of organisational culture and management, which asserts that values can and should be managed, and that achieving a strong culture is the ultimate objective of the management (Martin, Frost, 1999). This is no surprise since the literature typically adopts a managerial viewpoint, and consensus in the organisation is what managers aim at. However, there are other perspectives that question these assumptions about the desirability of strong cultures, and whether managing values is possible in the first place (e.g. Trice, Beyer, 1993; Griseri, 1998; Alvesson, 2002). The differentiation perspective acknowledges that there are different sub-cultures within the organisation and in their relationships they may be enhancing, conflicting or indifferent to each other. Therefore, the differentiation perspective assumes there is always some cultural ambiguity in the organisation, and controlling and manipulating values is problematic in this perspective. Further, the fragmentation perspective treats cultural ambiguity as the natural state of affairs and maintains that culture has no shared set of values apart from ambiguity itself, and that the ambiguity is persistent rather than temporary. Again, cultural change according to this perspective is uncontrollable.

Although Martin and Meyerson (1988) invite scholars to use different perspectives simultaneously, as if using different lenses to study phenomena would advance our understanding more effectively, literature on management by values has made little use of this. There are overtly optimistic views about the value-engineering process as well as its outcomes, and little attention has been paid to the problems and dilemmas that managers in fact face when implementing the concept. Buchko (2007) notes that philosophical and anecdotal approaches prevail in the literature on organisational values, and both present values management as key to organisational success in a rather unbalanced manner. The philosophical approach proposes a normative or prescriptive set of values that help managers become more successful, or makes broad generalisations about the effectiveness of common values in management practice. The anecdotal approach provides case studies or stories about the values of the companies or their leaders and relates the success to these values. Adding to this, Buchko (2007: 37) claims: “There’s been very little empirical effort devoted to examining many of the tenets of the proponents of ‘values-based’ management. To date, there has been little attempt to empirically test the suggestions and principles set forth by those who argue for a values-based management perspective.” Niehoff *et al.* (1990: 350), who studied the influence of the management’s actions on employee perceptions, wrote: “The anecdotal evidence provided by the popular press should not be scoffed at, but should instead serve to stimulate hypotheses to be tested empirically”. This citation well characterises the situation in the field of management by values today and the current thesis does its part to reduce the scarcity of empirical evidence on the subject.

The motivation behind the present thesis is to critically assess and broaden the research on management by values via the analysis of some aspects that are encountered by any organisation in the implementation of the concept. The author of the thesis argues that not enough attention has been paid to some of the most practical issues related to management by values, for example, the defining of values or the problems that may occur in the efforts to align values and practice. Even though potential caveats have been raised in theory (or “philosophy”, rather), empirical evidence is scant. The reason for this may be related to organisations’ unwillingness to reveal difficulties or failures to researchers. Consultants, on the other hand, who have access to this information, have typically no incentive in conducting academically sound research, or experience personal conflicts of interest when reporting problems that have emerged in the process.

The theory and empirical work on organisational values is rooted in the Anglo Saxon context – US, UK, Canada and Australia (Knoppen *et al.*, 2006). Within the last few decades, Scandinavian scholars have also come to play an important role in this field (e.g. Alvesson, Brunsson, Ekvall, Kujala, Schultz, Thomsen and many others), and values has firmly established itself in the research on management and organisational behaviour in these countries. For example, the Centre for Corporate Social Responsibility, where organisational

values are studied along with ethics and responsibility, was created at the Copenhagen Business School in 2002. At least two doctoral theses in the field of management by values were defended in 2007 in Finland, and Mattila (2007) asserts that organisational values have been “in fashion” in Finland since the beginning of the nineties.

In Estonia, the perception of the importance of and interest in organisational values is growing. Most business organisations started from zero at the beginning of the 1990s, and they have now reached a phase in their life cycle where efficiency-pursuit and capitalising on intra-organisational resources is the main focus (Vadi, Vedina, 2007). Value commitment is a resource that complements and enforces the formal rules and norms in the organisation. Responding to this demand, several conferences and training programmes related to values have been organised, and conducting an organisational values-audit is a service offered by many consultation firms in Estonia. However, there is almost no own-country research to support these initiatives – the ideas and recipes offered to Estonian organisations are most typically based on popular books of US origin.

In sum, there is a research gap in terms of theory as well as empirics on Estonian organisations. In spite of the vast amount of literature, the concept of management by values is predominantly employed using a perspective that largely predetermines the results. The integration perspective assumes that homogenous values are possible to achieve in the organisation, and they then have a positive influence on the performance of the organisation; therefore, management by values is presented as being uncomplicated, and if implemented, automatically leads to superior performance. The adoption of this approach has barred authors from critical reflection of the concept and/or its elements, and the guidelines for managers are rather superficial. In addition, although the principles of management by values are professed by many Estonian organisations, research focusing on these issues in the Estonian context is limited.

The aim and research tasks

The aim of the present thesis is to work out theoretical and practical implications for the management by values based on the example of Estonian organisations. Theoretical development of the concept would increase managers’ awareness of the potential perils related to management by values and practical implications would help managers to introduce this concept with a higher probability of success. Even though the empirical data is based on Estonian organisations, the author believes that the results can be generalised and applied anywhere the concept of management by values as such has gained support. To achieve the aim, the following research tasks were established:

1. Provide a theoretical overview of the concept of management by values and organisational values.

2. Discuss potential dilemmas and problems that may arise in the process of management by values.
3. Outline specific aspects that influence the process of management by values and formulate corresponding research propositions.
4. Analyse how the defined aspects influence particular phases in the process of management by values based on Estonian organisations.
5. Theoretically advance the concept of management by values and formulating implications for the effective introduction of the concept in practice.

Originality of the research and its practical merit

Although the literature on management by values is abundant, it is predominated by practitioners' viewpoints and consultants' philosophies rather than academic research (e.g. Barrett, 1999; Edgeman, Scherer, 1999; Lencioni, 2002; Patten, 2004; Whitmire, 2005; Speculand, Chaudhary, 2008). Moreover, research has largely been undertaken using the integration perspective, which leaves little room for critical reflection on the subject and gives one-dimensional results. The current study, at least in part, uses the differentiation perspective in the spirit of studies conducted by Cha and Edmondson (2006), Buchko (2007), Lankau *et al.*, (2007), Mattila (2007) and Marginson (2009). This is done via exploring organisational practices that the members perceive as appropriate or inappropriate given the organisational values that they deem relevant; value consensus was not a prerequisite.

The difference between earlier studies on management by values and the current thesis is the fact that the overall process of management by values is usually studied empirically in single organisations, for example, Pedersen and Rendtorff (2004), Buchko (2007) and Marginson (2009). These are case studies with organisation-specific results that aim to develop hypotheses rather than test them. Although in the current thesis, the empirical studies provide a snapshot of different phases of management by values, they conceptually build on each other and enable us to make conclusions about the overall process. The merit of such an approach is that the data is obtained from many organisations, so the conclusions are not constrained by case-study limitations.

A novel aspect of the thesis concerns the theoretical conceptualisation of management by values. Since much of the literature tends to be written in a handbook-style that would be easy for practitioners to follow, the process is often oversimplified and presented in a step-by-step manner (e.g. Blanchard, 2001). This thesis shows that all the steps are interconnected and moreover, it is sometimes not at all clear what step should be first when introducing the concept. The theoretical contribution of the thesis is also its discussion of the nature of values statements – the basic instrument of management by values. By synthesizing previous studies a comprehensive overview of the role of values and the dimensions of their content is presented.

While literature on organisational values almost always touches upon ethics and social responsibility issues, this thesis explicitly shows how the two phenomena are related and what it means for the process of management by values and creating values statements. In light of this, it is rather surprising that empirical research attempting to relate organisational values and socially responsible behaviour is almost non-existent – only very general ideas have been developed and tested empirically (e.g. Joyner and Payne, 2002; Thornton and Jaeger, 2008). Here, the current thesis is taking the first step: it sets forth hypotheses about the relationships between particular value orientations and corporate social responsibility and tests these using the sample of Estonian service organisations.

The research framework in the current thesis is novel: the factors affecting the process of management by values are divided into four broader categories: organisational, situational, intra-organisational and individual. The novel aspect that has not deserved attention in previous studies is the situational aspect explored in Study 4. Similarly, the argument for stakeholder engagement in the values formulation phase (in Study 1) under organisational aspects has deserved very little empirical attention so far, although philosophical views on the matter are plentiful (e.g. Blanchard, O'Connor, 1997; Scholes, James, 1997; Prilleltensky, 2000; Scott, Lane, 2000; Whitley, Whitley, 2007). Under individual aspects (in Study 2), the influence of financial relationship to the organisation is explored as a unique characteristic of the respondents. This was possible due to the specifics of the sample, which consisted of students. This variable is not available in ordinary business organisations (although it might be well captured in non-profit organisations); nevertheless, it provides an interesting insight into the regularities of value perception.

The research methods adopted in the field of management by values for the most part involve interviews and surveys. The current study uses both these methods, but adds value by using critical incidents technique as well. For its rich information and context-sensitivity the author of the thesis contends that critical incidents technique is the most appropriate method to study the perception of values, and their implementation in particular. The method has been used before in this field (Meyer, 1995; Kramer, Berman, 2001; Arnold, 2005), but again, it was applied in the context of a single case study. For instance, Meyer (1995) studied organisational values in a community childcare centre, Kramer and Berman (2001) analysed the values of a university, and Arnold (2004) explored the values of a hospital. In this thesis, however, critical incidents technique is applied across a variety of organisations, which certainly increases the generalisation-potential of the research results.

Finally, the originality of the thesis relates to its Estonian data. There is abundant research on individual values in Estonia (Lauristin, Vihalemm, 1997; Aavik, Allik, 2002; Rämmer, 2005; Vedina, 2007) as well as organisational culture, where organisational values form a notable part (Vadi, 2000; Alas, Vadi, 2003; Aidla, 2009; Reino, 2009), but management processes related to organisational values have only been studied at the level of master theses at best

(e.g. Beljajeva, 2007). Given the popularity of management by values in Estonia, it is a high time for a systematic reflection upon the first experiences gained.

The topic of the thesis is highly practical, because management by values is not a theoretically developed concept, but a dynamic management process advocated by managers and consultants. Therefore, managerial implications employ a significant proportion of the overall results. Several points can be highlighted in this respect. To begin with, the thesis provides evidence of the circumstances where management by values might prove more problematic. Before adopting the concept, managers might analyse their organisation's situation to become better aware of the limitations and potential bottlenecks that may inhibit successful implementation of management by values.

When the decision to introduce management by values has been made, it is suggested in the thesis that the defining of values needs careful treatment. Several factors should be taken into account, including stakeholder mapping and engagement, analysis of current practices (especially if these cannot be changed), value consistency etc. It is also important for managers to understand that management by values will work best when the values deal with the desired character and attitudes in the ethical and well-being dimension.

The thesis demonstrates the differences in value perceptions; it is useful for managers to acknowledge that phenomenon throughout the values process, and particular suggestions are made in this direction. The challenges in the alignment of values and practices are outlined in the thesis and some guidelines are given in this respect. Most importantly, though, the implication derived from the thesis is that management by values is a monolithic concept where individual elements cannot be separated; therefore, the potential of the concept is fully materialised only if it is implemented in an integrative manner. Introducing merely one element – a values statement, for example – without the support of other activities around it can cause more problems than solve them.

Research methodology and the contribution of individual authors

There is no universally accepted method for studying managerial processes such as management by values – each chosen method depends on the specific interest of the researcher. Surveys (Urbany, 2005), interviews (Cha, Edmondson, 2006) and (participant) observations (Buchko, 2007) and combinations of these (Knoppen *et al.*, 2006) are the most common approaches. Research based on individual case studies (Pedersen, Rendtorff, 2004; Cha, Edmondson, 2006; Buchko, 2007) as well as cross-sectional data (Johannsen, 2004; Urbany, 2005; Knoppen *et al.*, 2006) are equally important in the literature on management by values.

The current thesis consists of articles where several research methods and instruments that were deemed best to address the research questions have been

adopted. Both qualitative and quantitative approach has been used: multiple case-study interviews (Study 1), critical incident technique (Study 2, Study 4) and survey questionnaires administered in several organisations (Study 3) are used (see Table I).

Table I. Research methodology used in the Studies

Studies	Approach	Method
Study 1	Qualitative	Case study interviews
Study 2	Qualitative and quantitative	Critical incidents technique
Study 3	Quantitative	Survey
Study 4	Qualitative and quantitative	Critical incidents technique

Source: compiled by the author

The interview questions for Study 1 were compiled by the author, and the interviews were conducted in a semi-structured manner. The following survey questionnaires were used for Study 3:

1. A questionnaire developed by Vadi *et al.* (2002) with Likert-type statements to measure organisational culture orientations in the organisations.
2. A questionnaire developed by the authors of Study 3 to assess the extent of socially responsible practice. The questionnaire was based on a questionnaire by the Responsible Business Forum in Estonia used for the calculation of the corporate social responsibility index.

The interviews and classification of critical incidents form the qualitative data analysis, whereas surveys and working with coded critical incidents are subject to a quantitative approach. All methods are described in more detail in sub-chapter 1.4.

Two studies out of four are co-authored. In these instances the author of the thesis is the primary author and thus had a leading developmental role in the studies. As described above, Study 3 partly relies on methodology developed by one of the co-authors and earlier research results; the second co-author contributed by helping to develop a corporate social responsibility questionnaire, contacting organisations, collecting data and strengthening the theoretical framework. In Study 4, one co-author helped with the categorisation of critical incidents; at each stage of the research both co-authors made suggestions for the improvement of the paper.

The structure of the thesis

The present thesis consists of three chapters: the theoretical, empirical and discussion chapters. The overall structure of the thesis is presented in Figure II. The first three sub-chapters in the theoretical chapter are presented in the form of questions that the corresponding sub-chapters aim to answer.

The first chapter provides theoretical foundations for the study on management by values and organisational values, and comprises four sub-chapters. The first sub-chapter 1.1 provides an overview of the evolution of the management by values concept and looks at each of its phases in detail. Sub-chapter 1.2 deals with organisational values in the management context. In particular, terminology on organisational values is discussed and the role of values is analysed. Here, the elaboration focuses on the specific management instrument inherent to management by values – values statements. A generalised framework for the content of values statements is presented and its relationship to the concept of corporate social responsibility is demonstrated.

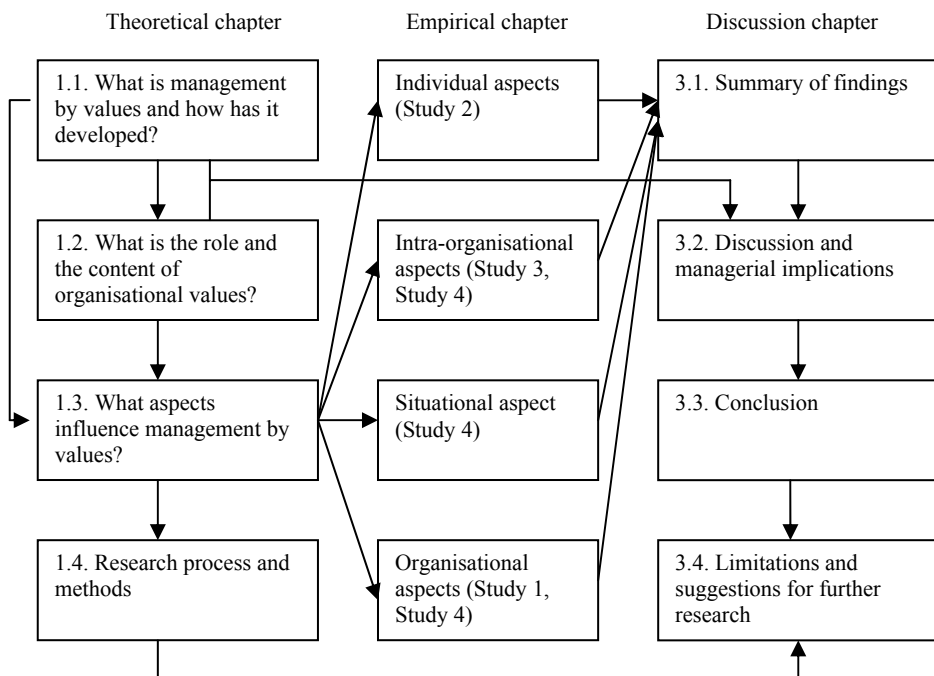


Figure II. The structure of the thesis
Source: compiled by the author

The third sub-chapter 1.3 proceeds with research questions and propositions and ultimately, it will list the potential aspects that influence the process of management by values. Four research questions are posed that relate to different phases of the process of management by values. For each research question several propositions are formulated based on previous research. Here, a general framework for the research is presented: the study is divided into organisational, situational, intra-organisational and individual aspects. The influence of these on different phases of management by values is the subject of the studies in the

empirical chapter. The final sub-chapter of the first part introduces the methods that are used in the studies and describes the research process.

The second chapter of the thesis consists of four studies. Study 1 looks at the first phase of management by values – defining the organisational values – and aims to find out which organisational stakeholders should be engaged in this phase and how. It offers an analysis of the influence of organisational values on several stakeholders and combines the results with specific forms of stakeholder engagement. The influence of values on stakeholders and their consequent engagement may be organisation specific to some extent, but as there are also generalities, the issue is defined as an organisational aspect affecting the process of management by values.

Study 2 analyses some individual aspects that might be relevant to consider in the process of management by values. In particular, it focuses on socio-demographic characteristics (involvement with an organisation, tenure and gender). These results develop our understanding of the factors that influence the perception of values and are therefore insightful for the communication phase of management by values.

Study 3 initiates a discussion of the intra-organisational aspects affecting management by values. It explores the relationship between organisational value orientations and organisational practice manifested in corporate social responsibility. It develops specific hypotheses concerning the strength of value orientations and responsible behaviour and discusses the results considering service sector specifics. In the context of the process of management by values, the study concerns the phase dealing with the alignment of organisational values and organisational practices. Issues related to that phase are also the subject of Study 4, although in addition to several intra-organisational aspects it covers some organisational, situational and individual aspects as well. Study 4 lists possible reasons for a misalignment of values and practices and highlights the most common causes based on evidence from Estonian organisations.

The third chapter of the thesis synthesizes the results both from the individual studies and the theoretical chapter, and again, it is divided into four sub-chapters. The first sub-chapter provides a summary of the empirical findings from Studies 1–4 followed by a thorough discussion and presentation of implications for managers in the next sub-chapter. Conclusions are drawn from previous sections, and the theoretical contribution of the thesis is outlined in sub-chapter 3.3. The final sub-chapter 3.4 is devoted to the discussion of limitations of the study and proposes some avenues for further research.

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I am fully responsible for all the mistakes and errors found in this thesis.

I. FRAMEWORK FOR STUDYING MANAGEMENT BY VALUES AND ORGANISATIONAL VALUES

I.1. Management by values and its historical development

Academic interest in values as explored in the field of social psychology has diffused across into management literature during recent decades. In Chapter 1, values as a management tool are examined and the research questions are set forth. Based on the research propositions, a general research framework is created and the methods used in empirical studies are introduced. This sub-chapter will open the discussion about management by values – the concept will be defined and its appeal explained. A brief overview is given about the evolution of management by values, since it is relevant when understanding any concept, to be familiar with its origins. Only then the process of management by values is explored in more detail and as a result, some aspects that deserve further research for their critical role in the process of management by values will be discussed.

The definition and aim of management by values

Management by values (MBV) is exclusively used in the organisational context. All organisations need to be managed, and while there is agreement about the roles and functions of management, how this is implemented depends on the national culture, organisation, manager and the people to be managed. MBV³ describes one approach for managing an organisation for greater (financial) success and it is closely related to organisational culture.

Management by values is a “new” strategic leadership tool (Dolan, Garcia, 2002), managerial philosophy and practice (Reich, Dolan, 2008) and organisational control system (O’Reilly, Chatman, 1996; Marginson, 2009). Despite its popularity, MBV, however, is not a universally accepted term. The term “management by values” was first used in the late 1980s and early 1990s (e.g. Hogan, Goll, 1989; Chakraborty, 1991), although the official founders of the concept are deemed Blanchard and O’Connor (1997)⁴. Dolan and Garcia (2002) and Dolan and Richley (2006) use this term, but other authors, while basically talking about the same concept, use terms such as “value management”, “managing values”, “management of values” (Griseri, 1998; Mattila, 2007; McCourt, 2007), “values-based management” (Andersen, 1997, Edvardsson *et al.*, 2006; Buchko, 2007; McCourt, 2007), “value-based management” (Peder-

³ The abbreviation MBV corresponds to other management disciplines such as MBI (management by instructions) and MBO (management by objectives). The most recently, MBC (management by conscience) has been suggested by Raich and Dolan (2008: 17–22) to emerge in the future.

⁴ Garcia and Dolan published the book on MBV the same year in Spanish (Reich, Dolan, 2008).

sen, Rendtorff, 2004), “values-driven management” (Driscoll, Hoffmann, 2000; Järvensivu, 2007), “value-based leadership” (Prilleltensky, 2000) or “values-based leadership” (Kuczmarski, Kuczmarski, 2002; Majer, 2004).

In this thesis, the views of above mentioned authors are all presented as ideas about MBV because there is no difference in the principles behind these various terms. Dolan and Garcia (2002: 103) define MBV as follows: MBV is an “... overall framework for continual redesign of the corporate culture, by which collective commitments are generated for inspiring new projects.” This definition leaves the impression that MBV is more about managing organisational culture than managing the organisation. It is, however, proclaimed by Blanchard and O’Connor (1997) that MBV is a holistic management concept, not a strategy adopted for some areas and neglected for others. An important aspect in Dolan and Garcia’s (2002) definition is the emphasis on the change management properties of MBV. Indeed, MBV is often discovered and implemented when an organisation faces tough times or even crisis (Driscoll, Hoffmann, 2000; Pedersen, Rendtorff, 2004; Mattila, 2007; Whitley, Whitley, 2007; Marginson, 2009), whether this is manifested in low levels of internal and/or external trust, organisational performance below expectations for a sustained period of time, insufficient information-flow or something else. In such a situation, some features of MBV have been traditionally used to generate a turnaround in the organisation.

But not all authors see MBV as a tool for change management. Driscoll and Hoffmann (2000) view MBV as both an instrumental and ethical form of management. O’Reilly and Chatman, (1996: 168) define MBV as “...a combination of identifying strategically relevant values and norms, as opposed to irrelevant values and norms, *and* promoting agreement as opposed to chronic conflict among organizational members [...]”. Somewhat similar is a definition by Järvensivu (2007: 44) according to whom MBV is “...a means by which management can increase awareness and understanding of organizational values within an organization in order to sensitize and prepare organizational actors for the positive and negative effects that values may have on the functioning of the organization”. These definitions are limited to organisational members and are, in author’s opinion, too restrictive.

Blanchard and O’Connor (1997) define MBV as a systematic method for identifying and committing to a common purpose and shared values and then aligning business practices with those values to allow all stakeholder groups – owners/shareholders, employees, customers and significant others such as suppliers, lenders, communities – to win. While they bring in the external environment of the organisation, the author is not content with this definition either because MBV is presented as a linear process, but as will be shown below the process is more complex. Therefore, MBV in this thesis is defined as a “*series of interconnected managerial activities to ensure the acceptance of relevant organisational values inside and outside the organisation*”.

On the one hand, the concept has evolved from the stream of literature on organisational culture as the determinant of financial success of the organisation

(Deal, Kennedy, 1982; Peters, Waterman, 1982) and on the other hand, MBV is rooted in the resource-based view of strategic management (Barney, 1986), which claims that organisational culture may become an organisation's capability that provides a sustained competitive advantage in the market. Thus, MBV is a concept whereby organisational culture is assumed to play a key role in organisational performance.

There are numerous approaches to defining and analysing organisational culture (see Reino (2009) for a thorough discussion), but given the managerial focus of the current thesis, the socio-cultural approach where organisational culture is viewed as a set of cognitive and behavioural components is adopted. Therefore, the definition by Schein (1983: 14) is used, which defines organisational culture as a "pattern of shared basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration – a pattern of assumptions that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems". In this functionalist approach, organisational culture is one (manipulative) variable of the organisation and it comprises negotiated meanings as well as structures, policies, processes and strategies. It is also in this school of thought that most empirical research on the relationships between organisational culture and other organisational variables is conducted (Reino, 2009).

According to Schein (2004) values are an element of organisational culture. Espoused values in his conceptual framework form a distinct level of an organisational culture (see Figure 1.1), and these help to predict the behaviour of the organisational members. Espoused values differ from artifacts because they are not tangible or visible. At the same time espoused values are different from basic assumptions because they are conscious. Agreement about a limited set of values being important in an organisation makes for a strong culture. O'Reilly and Chatman (1996: 166) define strong culture as "a set of norms and values that are widely shared and strongly held throughout the organization".

MBV theory largely rests on the idea that organisations with a strong organisational culture outperform organisations with weak organisational cultures. This happens due to three general consequences generated by strong organisational culture (Sørensen, 2002). Firstly, there is higher behavioural consistency across members because the values function as a social control mechanism. Secondly, there is stronger goal alignment and more effective coordination, because the values clarify what is important and there is less debate about what is in the best interests of the organisation. Thirdly, in strong-culture organisations employees are more motivated because they perceive their actions are freely chosen and their efforts increase. MBV is thus a concept that aims to improve organisational financial performance via developing organisational culture by concentrating on values, in particular (see Figure 1.1).

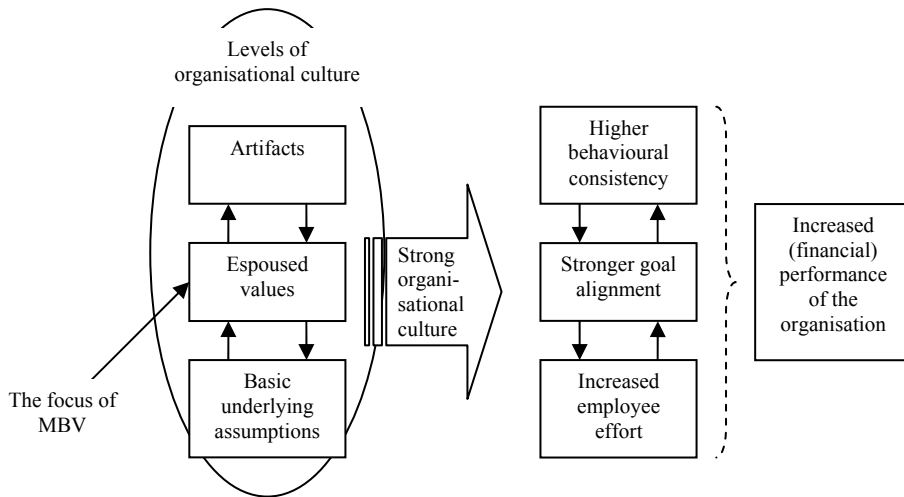


Figure 1.1. Assumed outcome of MBV as a facilitator of strong organisational culture
Source: compiled by the author based on Schein (2004) and Sørensen (2002).

Some comments in relation to strong organisational culture or values and improved organisational performance are in order. More than half a century ago it was admitted by Selznick (1957) that goal statements that are based on making a profit offered little guidance for organisational purpose. Thus, there have to be other goals that support and/or complement profit making. In contemporary literature, it is claimed that business excellence results from values that are emphasised and become conscious motivators (Collins, Porras, 1996; Blanchard, O'Connor, 1997; Edgeman, Scherer, 1999; Dolan, Richley, 2006). However, there is also empirical research that does not provide conclusive results to these claims, especially if performance means increased profits or share-price.

It has been shown that in highly volatile industries, organisations with strong organisational cultures tend to exhibit less reliable performance if measured by return on investment and operating cash-flow (Sørensen, 2002). Somewhat similarly to Sørensen (2002), Denison (1990) found that “consistency“ conceptualised as a strong organisational culture was positively linked with short-term performance, but negatively related to long-term performance. This leads to the conclusion that if developments in the external environment are more predictable then a strong organisational culture does make it possible to deploy the opportunities, whereas with increasing ambiguity in the environment a strong organisational culture provides no advantage. This runs contrary to Deal and Kennedy’s (1982) claim that a strong organisational culture is a prerequisite for organisational adaptability in the environment; instead, strong values embed risk if the environment is turbulent. Wilderom *et al.* (2000) review empirical studies linking organisational culture and performance – they depict various methodological weaknesses in the studies and conclude that although there

seems to be a link between strong organisational culture and performance, the predictive power of the former on the latter has insufficient evidence.

As for non-financial organisational performance variables, strong organisational culture has generally found to have more merits. A great deal of empirical research is devoted to demonstrating the relationships between values (or organisational culture) and individual and/or organisational outcomes. Meglino and Ravlin (1998) give an extensive overview of values-related research from 1987 to 1997. The author of the thesis collected empirical studies that were carried out over the period 2000–2008; the results are presented in Appendix 1. Studies where relationships were estimated between values as independent variables and individual and organisational outcomes as dependent variables were of particular interest.

Looking at Appendix 1, one can see in particular that clear organisational values and their fit with employee personal values has favourable outcomes for the organisation (employee loyalty, satisfaction with CEO, extra effort to work etc) and employees (job satisfaction, less symptoms of stress, involvement in decision-making etc). These results are generally in line with those reported by Meglino and Ravlin (1998) based on similar studies conducted earlier as well as with the conceptual model presented in Figure 1.1.

However, in addition to the results with predominantly positive effects, there are also a few empirical studies that show a contrary view. For instance, Fitzgerald and Desjardins (2004) find no connection between the organisation having clear values and employee satisfaction or positive morale at work, and show in addition that employee performance ratings were higher when values were not clearly defined. Urbany (2005) draws the conclusion that the more a values statement is attached a symbolic value the more likely it is to be viewed with cynicism. Cha and Edmondson (2006) created a model for how strong values may produce disenchantment and the attribution of hypocrisy among employees. Meyer (1995) draws our attention to conflicting values and Järven-sivu (2007) concludes that value congruency between two organisations may just as well have negative effects on their cooperation.

The current thesis does not take any firm position on the effectiveness of a strong culture or MBV on the performance of the organisation in general, but the four empirical studies presented in the thesis provide further insight into several aspects of MBV, which, if adequately addressed, help to increase the chances of achieving the desired performance outcomes.

The evolution of MBV and its influencing aspects

Already in 1939 Chester Barnard suggested that shared values help to create and manage complex organisations. Eighteen years later, Selznick (1957) defined the task of management as creating a social structure that embodies selected values and then adapting them to environmental changes. According to him, the forming of an institution has taken place when value commitments have been made, i.e. it has been determined in the organisation what principles will be followed. One might say that Chester Barnard and Philip Selznick were the

earliest authors to suggest management by values, although they were exceptional at the time of their publications.

Obviously, the complexity of the business environment has greatly increased since Barnard's and Selznick's times and the interest in organisational values accordingly. As shown by discussion above, the most influential works of the relevance of organisational culture in terms of its performance were published in 1980-s, but even in the 1970s there were numerous authors who addressed the importance of values in management. However, it can be noted that at first, organisational values were treated as something one should take into account and be aware of in order to be financially successful or, at least, to avoid failures. Examples of authors at this stage include Argyris and Schön (1978), Cameron and Freeman (1991), Trice and Beyer (1993) and Schein (2004, first edition published in 1985), if to name just a few of the most eminent works.

In the nineties, scholars began to suggest that organisational values should be consciously created and deployed via a thoroughly planned process; that is, values are not exogenous variables that should be taken as given, but a proactive approach towards values should be taken. Examples of this view come from Deal and Kennedy (1982), Peters and Waterman (1982), Kouzes and Posner (1991), Collins and Porras (1994), Blanchard and O'Connor (1997), Griseri (1998), Driscoll and Hoffmann (2000) and Dolan, *et al.* (2006). In particular, this stream of literature has been the soil for the development of MBV, a management concept where values have a central role. The chronological development of the importance of values in management literature is illustrated in Figure 1.2.

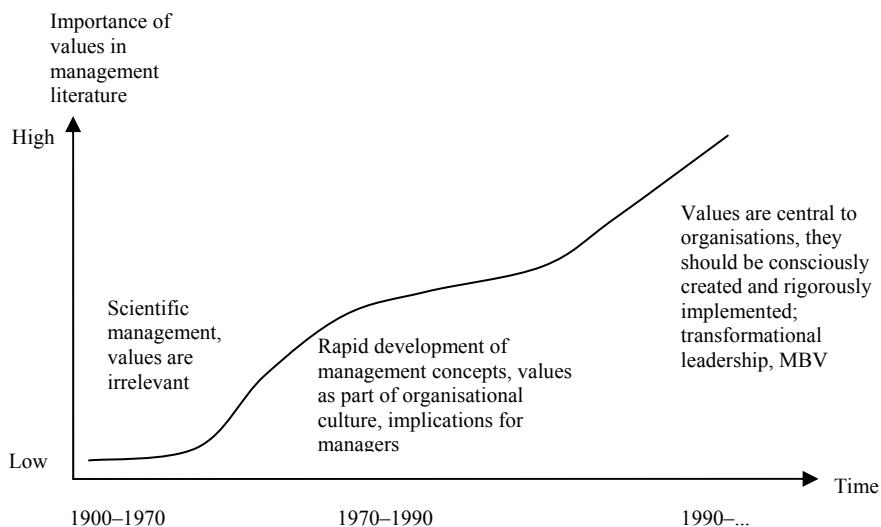


Figure 1.2. Chronological development of the importance of values in management literature

Source: compiled by the author

Dolan and Garcia (2002) have pointed out four global trends in the business environment that have contributed to the emergence of MBV. These trends described below can explain why values on the organisational level have become subject to management studies. The first trend is related to product quality and customer focus – mass production and cost leadership does not enable an organisation to survive in competitive markets; organisations need to constantly add value to their production processes and react to individual customers and situations. This is related to differentiation, and values have come to fulfil this role more efficiently than technical and functional qualities alone (Edvardsson *et al.*, 2006); although, Christensen and Cheney (2000) are critical of this kind of “identity game” that produces noise rather than uniqueness in the market. The second trend is related to technology – while technological progress has replaced many blue-collar workers, the ones who work with sophisticated technology need to be true professionals with creativity and autonomy. Such employees cannot be led by rules and objectives in order to gain their commitment; they want to make a difference and add to the general quality of life (Kouzes, Posner, 1991), and values add meaning to their contribution. The third trend deals with leaders and the qualities needed to inspire and channel the efforts of professional teams. It has been confirmed by empirical studies that transformational leadership is related to the manager’s use of values (e.g. Gillespie, Mann, 2004; Krishnan, 2005). The fourth trend is generated by the complexity and rapid changes in the environment: in order to cope with this an organisation needs to be flat-structured and flexible. Since managing this kind of organisation adds uncertainty and ambiguity, the best way to reduce uncertainty and not sacrifice flexibility is to introduce values everybody must adhere to.

To conclude the above, it seems that there is a trend whereby organisational values have become a tool in the management’s hands. It must be noted that among authors in the field of MBV, there is a significant proportion of practitioners and consultants (e.g. Jack Welch, Jim Collins, Ken Blanchard, Tom Peters, Robert H. Waterman, Jr). This is not surprising because MBV has grown out of management practice; academics have added value by making systematic observations and developing comprehensive models. Dolan and Garcia (2002) claim that many managers practice MBV in order to survive and prosper, but they do it intuitively and in an imperfect way. That said, MBV is largely about the manager: what s/he does or does not do in the organisation. Based on the example set by the manager, MBV may and ideally should diffuse to the lowest levels in the organisational hierarchy, but it must be remembered that only people can introduce and maintain MBV, not the organisation itself.

There are opponents to the idea that values can be managed in the first place (e.g. Griseri, 1998). Alvesson (2002) criticises the premise that it is possible to manage organisational culture, and states that this is an oversimplification and serves narrow pragmatic interests. Just like managing organisational culture, MBV may fall into the category of “unrealistic programmes for [...] bending patterns of meaning, ideas and values to the managerial will” (*Ibid.*: 47). The

author of this thesis largely agrees with Alvesson (2002). While the aim of this thesis is not to prove that MBV does not work or that it does not have the merits it claims to have, the author maintains that MBV is not a magic wand that one can simply copy and transfer from one organisation to another – there are several critical issues in the process of MBV that one has to pay attention to and some of these issues will be discussed with the description of MBV phases. Before that, a general framework of the aspects that influence this process in organisations will next be presented (see Table 1.1).

Table 1.1. Aspects influencing the MBV process

Level of analysis	Examples of specific aspects
Societal aspects	History, national culture, religion, development of democracy, economic development etc.
Organisational aspects	Sector, size, industry structure, position in the market, ownership structure, relevant stakeholders etc.
Intra-organisational aspects	History of the organisation, organisational culture and values, leadership, organisational systems etc.
Individual level aspects	Manager characteristics, employee tenure, employee involvement, gender etc.

Source: compiled by the author

The argument in favour of a strong organisational culture and MBV as a specific concept relying on a strong culture has a distinct cultural background. Strong organisational cultures were initially attributed to Japanese organisations, but developed and conceptualised as MBV by US scholars. Although MBV has also spread to practice and scholarly literature in Australia and Europe, it seems so far to have gained the greatest support in the US. Therefore, the societal context influences the popularity and potential of the adoption of MBV by organisations. At this level, many specific aspects may play a role: the history of the country, the influence of religion, political system (especially democracy), economic development etc. It might be expected that MBV is not very attractive in countries where democratic ideals are not appreciated.

Characteristics of the organisation certainly matter to a large extent in terms of how MBV is adopted and how successful it would be. For instance, there are views that public sector or third sector organisations have less to benefit from MBV compared to business organisations (Brunsson, 2002; McCourt, 2007). The influence of some aspects will be dealt with in sub-chapter 1.3 when setting up the research propositions. The intra-organisational level is separated from the organisational level because those aspects under it are unique and characteristic to a particular organisation under study. There is no organisation that shares exactly the same history; nor can the values of an organisation be identical to others. One might assume that intra-organisational aspects are the most important determinants of the MBV process.

Finally, there are individual level aspects that deserve to be looked at separately. Most scholars would agree that the MBV process in the organisation is dependent on the leader, but as all members are finally involved, employee characteristics may also be relevant. Obviously, it is not possible to present an exhaustive list of potential aspects that influence the process of MBV in the organisation. Also, many aspects are not independent of each other, for instance, being an organisation in an Islamic country determines many characteristics of the organisations and even their employees. In the current thesis, societal level aspects are not addressed, because the empirical studies concern Estonian organisations only. The conclusions, however, are not Estonia-specific because organisations in modern societies function rather similarly. From the organisational level stakeholders, sector and size are analysed. Selected aspects from the intra-organisational level (organisational culture, organisational values, internal systems, resources, communication and commitment) and the individual level (gender, tenure, involvement, organisational position) are also included. As an additional unit of analysis, the situational level is analysed because the method made it possible to extract it.

The process of MBV

According to the definition of MBV, the concept is about specific managerial activities that are interconnected. Blanchard and O'Connor (1997) distinguish two separate phases in MBV inherent to their definition – defining the values and the alignment of values and practice – but later they introduce an additional phase in between those, called “communicating the values”. The author of the thesis considers these activities as the broadest phases and in contrast to Blanchard and O'Connor (1997) they are difficult to disentangle from each other (see Figure 1.3).

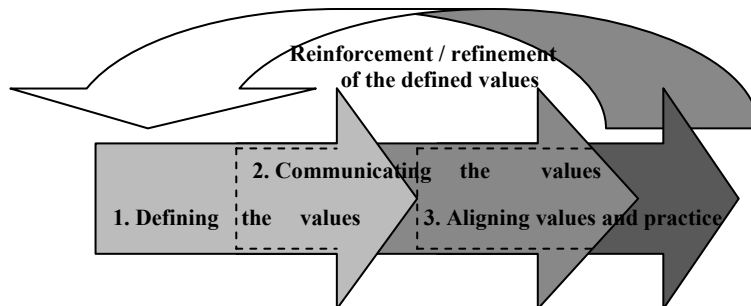


Figure 1.3. The process of MBV
Source: compiled by the author

Figure 1.3 conveys the idea that while there are three phases (or broad managerial activities) in MBV, they are all interconnected and the process is self-perpetuating. The phases are defining, the values, communicating the values and aligning values and practice, but practice, in turn, is an input for defining. Next, each phase is looked at in detail.

The first phase, the point of departure in the MBV process is determining or defining organisational values (Blanchard, O'Connor, 1997; Anderson, 1997; Driscoll, Hoffmann, 2000; Prilleltensky, 2000). Given the nature of organisational values (see sub-chapter 1.2) the most critical point in this phase is: who should determine these values? Some authors (Kouzes, Posner, 1991; Majer, 2004) emphasise the leader's personal values as cornerstones for organisational values; that is, there is a one-to-one overlap and the leader's personality determines what is important in the organisation. At the other end of the continuum organisational values are associated with the values of all salient stakeholders in the organisation (Scholes, James, 1997; Thomsen, 2004). Somewhere in the middle would be the suggestions by Collins and Porras (1996) and Blanchard and O'Connor (1997), according to whom values should be defined by teams consisting of five to seven individuals who share the "genetic code" of the organisation. Despite these varying views there is a consensus that executive directors or top-managers play a key role in creating or changing the values.

It is important to remember that managers are (self-interested) agents on behalf of all stakeholders (Thomsen, 2004). Therefore, assuming that the input for the values is somewhat broader than the manager alone, the question of whose opinion of the organisational values would matter most is worth exploring. Before defining the values, organisations, both public and private, need to clarify their position in the market and why they exist. This cannot be done in isolation, and organisational stakeholders and their expectations need to be mapped (Griseri, 1995; Pedersen, Rendtorff, 2004; Gotsi, Andriopoulos, 2007). These stakeholders may vary depending on the organisation's sector, size, age etc. Some guidelines in the literature refer to owners, employees and customers as the most important groups to consider.

Owners are usually involved in the early stage of the formulation of values by showing an interest in the existence of espoused values (Brønn *et al.*, 2006) or by giving final acceptance to the values statement at the annual general meeting or at the board meeting (Thomsen, 2004; Blanchard, O'Connor, 1997). Given that MBV is about managers being in charge, and owners may be quite distanced from operational questions, it is expected that the owners often do not deserve much attention in the practical implementation of MBV and if they do, their role is assumed to be rather formal in the literature.

In contrast to the owners, the active engagement of employees in defining organisational values is invited by many authors (Griseri, 1998; Christensen, Cheney, 2000; Majer, 2004; Hemp, Stewart, 2004; Palmer, *et al.* 2004; Pedersen, Rendtorff, 2004; Urbany, 2005; Brønn *et al.*, 2006; Whitley, Whitley, 2007). But engaging owners and employees may still not be enough. Prilleltensky (2000: 149–150) states firmly that value clarification requires engaging all stakeholders in dialogue, where the leader is to facilitate a participatory process. Scholes and James (1997) propose inviting stakeholders to be involved in the creation of values through consultation and even further, suggesting that stakeholders should perhaps be appointed to the board of the organisation. Many authors recommend engaging several stakeholders in a values statement

(Blanchard, O'Connor, 1997; de Colle, Gonella, 2002; van Riel, van Hasselt, 2002; Williams, 2002; Brønn *et al.*, 2006). Beside owners and employees, customers are also mentioned (Prilleltensky, 2000; Edvardsson, *et al.*, 2006; Gotsi, Andriopoulos, 2007).

Thus, defining values appears to be a sophisticated task, and it should be treated like any major organisational development (Griseri, 1995). Those managing the process need to decide whom to engage in the process, and mechanisms should be worked out to make them contribute. However it is conducted, potential weaknesses in the process remain (Griseri, 1998). The choices made clearly affect the outcome of the values statement; it might also be hypothesised that the more intensively stakeholders have been engaged in defining the values, the less effort is needed to gain their acceptance of these values later on. A case study by Mattila (2007) seems to confirm this relationship: employees who were involved in the formulation of values demonstrated a more positive attitude towards the values even many years later.

Another aspect in the definition phase is the number of values to be formulated and their content. Cha and Edmondson (2006) believe that there is a higher risk of value expansion (i.e. interpreting values in a more abstract and ideological manner) when organisational values resemble values that are held deeply by the society where the organisation operates. For instance, in the US these values deal with *equality* and *social welfare*; it might be speculated that in Estonia the value *freedom* would attract expansion if emphasised at the organisational level. *Freedom* advocated by the manager would probably denote quite specific aspects of the work in the organisation, for example, everyone choosing which projects s/he could carry out best. But this value would likely have a broader set of meanings attached to it by the employees – in the extreme, having no discipline, for instance.

At any rate, it is important to ensure internal consistency of values (Edgeman, Scherer, 1999; Driscoll, Hoffmann, 2000; Lord, Brown, 2001) as well as their consistency with the mission, vision and strategy of the organisation (O'Reilly, Chatman, 1996; Williams, 2002). This leads us to conclude that defining less rather than more values would embody lower risk of conflict. It has been suggested that there should be no more than three to six defined values (Collins, Porras, 1996; Speculand, Chaudhary, 2008). The fact that in many organisations there are ten or even more defined values shows that not much effort has been devoted to the analysis of them or to negotiations among stakeholders to find commonality.

In addition to static consistency, there is also the dynamic aspect of value consistency. Values are defined in order to improve the consistency of organisational behaviour over time across a variety of situations. They help an organisation understand what is relevant in a given situation and generate a response or decision that is consistent with earlier actions when the same principles were applied (Griseri, 2008). But dynamic consistency is a double-edged sword: values tend to be very stable, indeed, there are inertia, adjustment costs and other path dependencies inherent to values (Schein, 2004; Thomsen,

2004), but the circumstances are rarely exact copies of the past. Thus, applying the same values in a different environment might not be appropriate.

It has also been suggested that the values with high consensus in the organisation rule out any strategy with different underlying values (Pant, Latham, 1998). In those organisations, it is rather the strategies that are changed or neglected altogether than the relevant values and so these persist. Popper (1997) and Chelte *et al.* (1989) show through a case study that even when the management truly wanted the changes, they were not successful due to the values held dear among the employees. Thus, values are an impediment to change if the change assumed a shift in values as well. Collins and Porras (1996) maintain that values should not change no matter what, and the CEO of IBM believes that in order to execute a new strategy quickly having the “right set of values” is so important (Hemp, Stewart, 2002). However, this prompts us ask how helpful the values really are if any strategy can be adopted. The notion of the “right values” is all the more dubious, because in the long term, everything changes – the people in the organisation, the business environment and even cultural values themselves (see Roe, Ester, 1999 on the types of value changes). For instance, Vedina *et al.* (2006) show that during the transition period, the structure of terminal values has changed among people living in Estonia. Therefore, the dynamic consistency of values adds further complications to the first phase of MBV.

The next phase in MBV is the communication of values (Blanchard, O’Connor, 1997). It is difficult to draw the line between this phase and the previous, definition phase, because defining the values is in some way or other connected to communication – be it discussions held, memos sent and so on. The engagement of stakeholders discussed in the defining phase generates an understanding among the parties involved of why these values are important and why namely these are singled out from a large pool of possible values (Speculand, Chaudhary, 2008). Furthermore, the outcome of the definition phase – the values statement itself – is nothing but a means of communication (Bostdorff, Vibbert, 1994; Kelly, 2000; Christensen, Cheney, 2000; Cheney, Christensen, 2001; Wilson, 2001; Kabanoff, Daly, 2002; Urbany, 2005; Wenstøp, Myrmel, 2006; Williams, 2008) that helps to gain acceptance of the values among the stakeholders. Of course, the tools available for communicating the values are not limited to the formulation of the values statement or its outcome alone. Speeches, meetings, PR-activities, creating organisational artifacts in concordance with the values are all relevant, too (Marginson, 2009).

Communication is important because people may have a different understanding and interpretation of the same values (Anderson, 1997; Prilleltensky, 2000; Cha, Edmondson, 2006; Mattila, 2007; Mowles, 2008; Marginson, 2009). For an individual, understanding values comes through interpretation. Daft and Weick (1984: 285) have stated that: “Interpretation is a critical element that distinguishes human organizations from lower level systems”. It is claimed that when people share similar values they perceive external stimuli in similar ways (Schein, 2004), but in MBV shared values is an ideal that may and may not be

present at any given time. Unless managers devote extra effort to homogenise the interpretations, they are likely to vary from employee to employee. This is because people apply their previous experiences, interests and values as well as cognitive abilities when they scan and make sense of the data. People need justifications of events, and as they create them in the interpretation process they also develop expectations about similar events in the future (Weick, 2001). As a result, interpretation leads to a self-fulfilling prophecy and self-perpetuating conceptions of reality for that particular person. Cha and Edmondson (2006) demonstrate that the difference between the original “sent” values and the interpretation of these values may lead to unfavourable outcomes for both the organisation and employees. Therefore, managers should use every opportunity to make sure that organisational values are interpreted similarly throughout the organisation, even though this may be viewed as a monopolisation of the giving and receiving of meanings and a forceful limiting of interpretive flexibility and even produce counterproductive results like cynicism and scepticism, see e.g. Christensen and Cheney (2000), Hatch (2000).

One task of managers engaging in MBV is thus to standardise interpretations of values. While facilitating a constant process of reflection on values may require a lot of time and energy, it may also pave the way to becoming totalitarian organisation, where values are turned into a cult (Griseri, 1998; Mowles, 2008). This may happen if values are not discussed and deemed as non-negotiable (Mowles, 2008), and communication is the only means to prevent it. It is therefore important that organisations are open to debate what values might mean in a specific context or situation – they need to be functionalised. Listening, continuous discussion and even conflict in the process bring out the practical merit of values (Cennamo, Gardner, 2008; Mowles, 2008). Thus, communication in the process of MBV does not mean that relevant stakeholders should only be informed about the values – although, this cannot be overlooked, too – rather, the connotation is that values add real value when there is a continuous process of social construction and exchange of interpretations between the stakeholders of the organisation. Edvardsson *et al.* (2006: 241) state that if the values are not communicated, they will cease to exist.

The third phase of the MBV process is aligning values and practice. The label “practice” has been used to denote different things in the research into culture (Peterson, 2004); in this thesis it means any observable activity at the organisational level. Of course, it is the people in the organisation that take action, but in doing so they try to meet the challenges faced by the organisation rather than themselves personally, and their choices are interpreted as the choices and preferences of the organisation. At the same time, practice is the most powerful means of communication. “Every action that the leader takes, or doesn’t take, is information about the leader’s values and the seriousness about those values” (Kouzes, Posner, 1991: 198). This means that all choices and decisions must support the defined values, and if that is not the case they should be revised before the infringement of values becomes a reality. The message of an act is stronger than rhetoric (Solomon, 1999; Lord, Brown, 2001; Lencioni,

2002). This is deemed the most challenging phase in the process of MBV and it will be explained why this is so.

Discussion on alignment of values and practice mostly boils down to recruitment and especially performance management system in the organisation (Edgeman, Scherer, 1999; Pedersen, Rendtorff, 2004; Whitmire, 2005; Cha, Edmondson, 2006; Cennamo, Gardner, 2008; Speculand, Chaudhary, 2008; Marginson, 2009). This is because the performance management system links the values and organisational performance. The way this operates is illustrated by Figure 1.4.

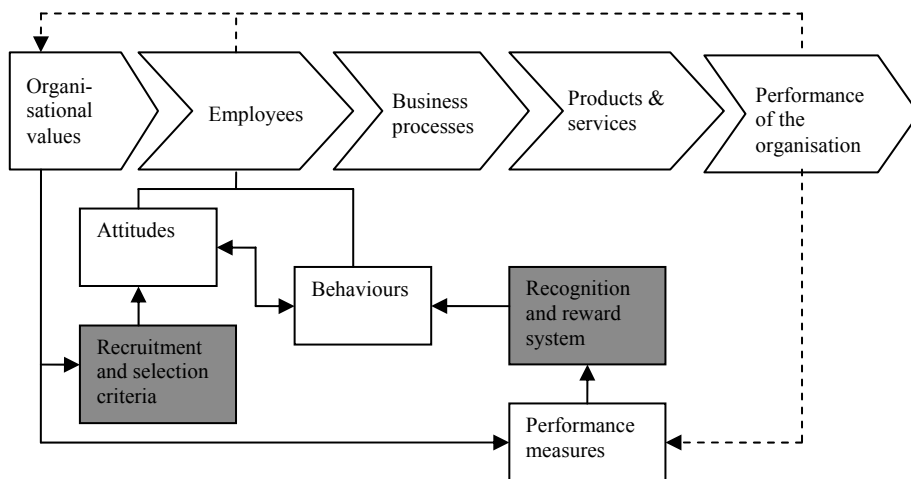


Figure 1.4.⁵ The role of recruitment and performance management system in the implementation of values

Source: Compiled by the author based on Buchko (2007) and Speculand and Chaudhary (2008).

Starting from the right hand side of Figure 1.4, organisational performance can benefit from values only when the organisation’s products and services become more valuable in the eyes of customers as a result. To achieve this, the organisation has to improve its business processes, and only employees can make a difference to these processes. In MBV, the cornerstone assumption is that values influence the behaviour of employees (Palmer *et al.*, 2004; Pedersen,

⁵ Note that the cells subsequent to “Organisational values” follow the concept of balanced scorecard (BSC) as a well-known performance management system developed by Kaplan and Norton (1992). “Employees” correspond to innovation and learning perspective, “Business processes” to internal process perspective, “Products and services” to customer perspective, and “Performance of the organisation” to financial perspective. It would be interesting to analyse the similarities and differences of performance management systems of MBV and BSC and their ultimate effectiveness.

Rendtorff, 2004) because based on values they can differentiate right from wrong (Edgeman, Scherer, 1999), people with similar values choose similar behavioural responses to react to external stimuli (Sørensen, 2002; Dolan, Richley, 2006) and cooperation increases (Dutton, *et al.*, 1994).

Although Collins and Porras (1994) are of the opinion that mere articulation of values increases the likelihood of values-based behaviour, there has to be support via organisational systems as well. Basically, there are two paths for organisational support of values-based behaviour. The first option is having the people with the “right” attitude who are naturally inclined to behave in the desired way. Stackman *et al.*, (2000) maintain that values are key determinants of employee attitudes, which in turn affect work-related behaviour. This is to say that values do not affect behaviour directly, but via attitudes, which are defined as “dispositions to respond favourably or unfavourably to an object, person, institution or event” (Ajzen, 2005: 3)⁶. The difference between values and attitudes is firstly that while values are always positive (i.e. expressing preferences), attitudes can be both positive and negative. Secondly, values are general, but attitudes are specific and can vary from object to object. It is also believed that attitudes are more apt to change than values. Behaviour depends on underlying attitudes, but is also affected by many other things like opportunities to act, norms, expected consequences etc. Therefore, the link between attitudes and behaviour is not direct. The characteristics and relationships between individual values, attitudes and behaviour are presented in Figure 1.5.

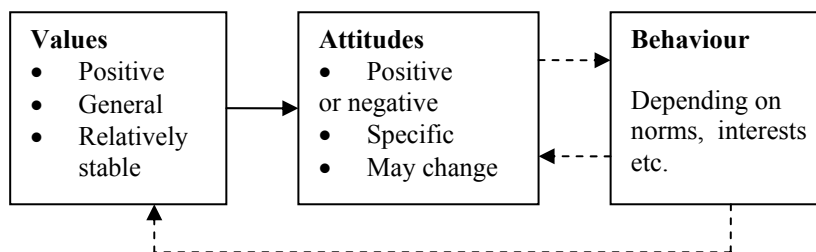


Figure 1.5. The relationship between individual values, attitudes and behaviour
Source: compiled by the author

The alignment of organisational values and employee attitudes is most likely when there are values-based recruitment and selection criteria in the organisation: only those who share the values of the organisation join and remain with the organisation. Pant and Latham (1998) acknowledge that in most organisations institutional mechanisms to recruit and dismiss exist to ensure at least

⁶ According to European Social Survey (2004) the strongest correlations between work-related attitudes and behaviour were found in Spain, Great Britain and Netherlands. Estonia together with Hungary and Finland showed weakest correlations (referred through Telpt (2008)).

some degree of consistency between the values and the top management team. For lower level employees, a similar recruitment policy has probably always been present without any formal acknowledgement of values (Schein, 2004); this mechanism has been described by Schneider *et al.* (1995) as an attraction-selection-attrition framework and is empirically confirmed by Dutton *et al.*, (1994) and Williams and Ferris (2000), for example. But in MBV it is clearly stated that for any position in the organisation only like-minded people should be chosen as employees (Lencioni, 2002; Whitmire, 2005). Stackman *et al.* (2000) question the ethicality of selecting employees based on their value structures, and indeed, there are certain dangers involved in such a recruitment policy (e.g. totalitarianism (Griseri, 1998)). As a consequence, some authors have proposed that it is not necessary for employees personally to have a values system that is identical with the organisation's – mere tolerance of organisational values is sufficient.

Attitudes may change when people start to reduce their cognitive dissonance as they experience inconsistency between their attitudes and their behaviour (see Figure 1.4 and 1.5). Cognitive dissonance theory (Festinger, 1957) is based on human psychology and is applicable in management as well. According to this theory, behaving constantly in a certain way that contradicts one's attitude may eventually change it, because people experience the dissonance negatively and try to minimise it. Schneider (2000) states that although values and beliefs are difficult to change because they are relatively stable by definition, it has been proven that changes in behaviour can yield changes even in values. The example of the behaviour's impact on values can be given from Watson's *et al.* (2004) experiment which, based on self-affirmation theory, found that value-reframing takes place to justify the actions. Therefore, Watson *et al.* (2004) claim that values are not as stable as is traditionally believed, and the author of the thesis contends that values may indeed change in the long term or due to dramatic experiences. That said, value congruence between the organisation and the employee is not attained only via employee selection, but also the socialisation process. It might be concluded that MBV makes use of both processes; they are not mutually exclusive, although selection might dominate in one organisation and socialisation in another.

Behaviour, in turn is affected by two sources – the employees' natural inclinations (i.e. attitudes) and the recognition and reward system. The latter is another option to make employees behave according to values. This connection is rooted in behaviourism and operant conditioning, where the behaviour can be directed by reinforcement and punishment. In modern performance management theories, reinforcement is claimed to be more effective than punishment, therefore an organisation must adopt a system where values-based behaviour (or even effort) is recognised and rewarded. Of course, punishment for actions that are strongly against the values should be envisaged, but borderline behaviour deserves extinction, where any consequence, positive or negative, is lacking.

In order to establish such a reward system, measures have to be developed that take into account organisational values. Chen *et al.* (1997) warn that if the

performance measurement system is solely based on financial measurement and rewards, individual evaluations may appear favourable, but they may be detrimental to the organisation's overall goals. Therefore, it is important to translate values into performance measures, while keeping in mind that they also reflect the positive change in organisational performance. In case the defined values are the same as the values in use, then human resource management systems are likely to be in alignment with them (Rosete, 2006). However, in MBV this assumption cannot be taken for granted and these systems need to be specifically assessed and/or developed. In addition to the above, measures need to be internally and externally consistent in order to avoid sending mixed messages and departing from the mission, vision and stakeholder concerns (Edgeman, Scherer, 1999). This further complicates the creation of an effective measurement system, because so many aspects are to be simultaneously attended to – values, effect on organisational performance, internal consistency of the measures and their correspondence to mission and vision, stakeholder concerns, etc. Obviously, designing such a set of performance measures is a difficult task.

It can be intuitively assumed that if organisational values are concerned with the attitude and character of employees more emphasis is placed on developing recruitment criteria and the hiring process is carefully designed and time-consuming. When values are more about behaviour, it is the reward and recognition system that is critical in the organisation. Either way, given that an appropriate performance management system is in place, one can easily agree that values influence behaviour effectively and there is no need for bureaucracy and supplementary manuals to guide employee behaviour (Peters, Watermann, 1982; Pedersen, Rendtorff, 2004). Henri (2006) confirms this via a survey study, where he found that organisations representing a “flexibility”-type of organisational culture use more performance measures compared to organisations representing a “control”-type of organisational culture. It has been claimed that MBV gives higher responsibility to middle managers and all individuals in the organisation (Dolan, Garcia, 2002; Marginson, 2009). Values are deemed as “strange attractors” by Blanchard and O'Connor (1997), Dolan and Garcia (2002) and Whitley and Whitley (2007) guiding people behave in a certain way. The outcome is a self-organisation, which is self-similar, yet allows for learning instead of creating rules for every contingency.

The performance of the organisation, in turn, affects the values. This is not an immediate connection, but in the long term collectively experienced success and drawbacks shape the beliefs of what works and what alternatives are preferable in the organisation, i.e. values become more and more shared (Schein, 2004). This does not take place outside people; organisational values are reinforced or redefined by the members of the organisation. Therefore, the dashed arrow high up in Figure 1.4 denotes a learning process.

To conclude, it was shown in this sub-chapter that the role of values as an instrument in the managerial toolbox has increased over time. Starting from the 1990s (a few earlier authors excluded), MBV has gained remarkable popularity,

especially in the field of management consultancy. Nevertheless, it was demonstrated that the terms as well as definitions vary, and authors adapt definitions to their specific interests. The process of MBV was described and critical aspects in each phase were discussed. The next sub-chapter focuses on values, which need to be thoroughly understood prior to implementing MBV.

I.2. Organisational values and their role in organisations

Values in management have deserved attention for several decades, although they diffused to management literature through the literature of social psychology and, as such, value concepts have not been specifically worked out for organisational settings (Stackman *et al.*, 2000; Udovičič, Mulej, 2006). For example, many studies on organisational values use Rokeach's (1973) definition of values, which was worked out for the individual level, and Stackman *et al.* (2000: 51) hold the view that it is even inappropriate to talk about values at the organisational level as they state: "It is critical to keep individual level concepts (such as needs and values) focused on and devoted to an understanding of individual-level problems and phenomena". Nevertheless, no better term has yet emerged and "organisational values" is widely used even though its meaning may vary.

Mowles (2008) highlights that the literature on organisational values is torn between two streams of thinking. One is a pragmatic view where values are treated as a managerial instrument, and this school has its roots in systems theory. The other view is an overtly symbolic and even metaphysical understanding of values, which thinks of the organisation as a living and spiritual entity. The current thesis rests on the systems theory-based view, according to which the organisation consists of individuals and both the organisation and the individuals have values interdependent of each other. The organisation as a legal fiction has no intrinsic values of its own (Stackman *et al.*, 2000), but imports values from its participants (Thomsen, 2004). However, there is no one-to-one concordance between the values of individuals and the organisation they are associated with. The systems theory-based view about values makes the implications for managers more explicit because in this school of thought values are related to the every-day activities of the organisation, whereas the metaphysical view is more philosophical by nature.

In this sub-chapter, different categories of values are discussed in order to develop an understanding of the features of well-functioning organisational values in the context of MBV. After presenting a synthesis of the works of selected authors, a general model for organisational value dimensions is constructed and this is compared with the model of corporate social responsibility because values are cited as major parameters in issues related to corporate social responsibility and corporate ethics (Stackman *et al.*, 2000).

Defining and specifying organisational values

Organisational values, in technical terms, are qualities and standards that have a certain weight which decision-makers in the organisation attach to alternative goals when making a decision (Thomsen, 2004; Van der Val, Huberts, 2007). There are a number of definitions for organisational values, but the current thesis defines them as "... latent constructs that refer to the way in which people evaluate activities or outcomes" (Roe, Ester, 1999: 3). This definition was chosen because Roe and Ester (1999) highlight the uniting features of several definitions of values; in addition, they explicitly mention that the definition is applicable at various levels – individual, group (such as organisation) or nation. The definition also distinguishes means (activities) and ends (outcomes), an important characteristic in light of the current thesis. In many other widely used value definitions (e.g. Rokeach, 1973; Enz, 1988; Kouzes, Posner, 1991) values are defined as specific beliefs and this is valid also in the current thesis, although the word "belief" is not explicitly used in the current value definition.

In the context of MBV, the "latency" of values should be revised, though. As was discussed in the previous sub-chapter, MBV makes use of values that are clearly spelled out and aimed to be accepted by relevant organisational stakeholders, so these have to be explicit. Here, it is common for organisations to come up with a values statement, which is the product of the first phase of MBV, defining the values. A values statement is a specific set of publicly stated organisational beliefs or concepts (Buchko, 2007). When values are espoused they are typically stated in writing for all members of the organisation, and are shared with other stakeholders, including the general public.

It should be noted, though, that the values statement is only the tip of the iceberg when it comes to organisational values in operation – only a fraction of those made visible to everyone. Specifically, the statements cover only those aspects that leaders find useful to publish as an ideology or a focus for the organisation (Schein, 2004). It is highly problematic when values manifested in the statement are in conflict with actual values or basic underlying assumptions (see Figure 1.1), but one should be aware that the pool of organisational values is probably much wider and complex than reflected by the statement.

There is quite an amount of confusion in the terminology about organisational values. The values in the values statement are called "espoused values", "principles" or "stated values" (Argyris, Schön, 1978; Kabanoff, Daly, 2002; Johannsen, 2004; Palmer *et al.*, 2004; Schein, 2004; Knoppen *et al.*, 2006; Järvensivu, 2007; Mowles, 2008), sometimes also "core values" (Edgeman, Scherer, 1999; Lencioni, 2002; Urde, 2003; Pedersen, Rendtorff, 2004; Edvardsson *et al.*, 2006; van der Val, Huberts, 2007; Whiteley, Whiteley, 2007). The uniting feature of those terms is that at least the members of the organisation are well aware of them. In contrast to "espoused" and "stated values", "core values" need not be explicitly stated in written documents, although they typically are a result of a dispute that has taken place in the

organisation about the relevant values⁷. As such, “core values” refer to at least some overlap between what is actually believed in and what is said to be believed in, whereas “espoused values” may differ from existing organisational values. Consequently, the extent of acceptance of the values may be higher in the case of “core values”⁸.

Very often, the term “shared values” is used in organisational culture and MBV literature (Peters, Waterman, 1982; Kouzes, Posner, 1991; Griseri, 1998; Dolan, Garcia, 2002; Schein, 2004). In contrast to “espoused values”, “shared values” do not have to be explicitly stated, and in contrast to “core values” they might be unconscious. Unconsciousness yet high acceptance is a defining feature of the terms “basic assumptions”, “basic values”, “actual values” or “values in use” (Argyris, Schön, 1987; O’Reilly *et al.*, 1991; Popper, 1997; Schein, 2004; Järvensivu, 2007). These values are associated with organisational culture.

But there is still more said about the values in organisations and there is no systematic approach, whether authors talk about conscious explicit values or unconscious implicit values. For instance, “corporate values” (Rubino, 1998; Patten, 2004; Thomsen, 2004), “firm values” (Pant, Lachman, 1998) or “organisational values” (Finegan, 2000; Padaki, 2000; Williams, 2002; Fitzgerald, Desjardins, 2004; Speculand, Chaudhary, 2008) may represent values on both ends depending on the particular author. The question of acceptance is usually not discussed at all with these terms. Figure 1.6 presents a systematic framework to illustrate the differences in the terms used in the literature on organisational values.

In the current thesis, the author uses “organisational values” or “values” for simplicity. In light of the focus of the study, which is MBV, it is assumed that the values should be at least brought to the conscious level, preferably be explicit. However, the ideal is that they reflect the values that are shared by the members of the organisation and are actually in use, so “espoused values” on the right hand side of the Figure 1.6 or “core values” is in focus. In the Estonian context, Reino and Tolmats (2008) conducted a multiple case study to find out the concordance between espoused values and actual values, and concluded that in one organisation out of four that were studied complete congruence was present. This result gives grounds for some concern: it seems that values statements live a life detached from reality.

⁷ There is an alternative interpretation for “core values”. The term is used also to denote value congruence, i.e. the degree of fit between the values of organisational members as well as the fit between the organisation and its members (Liedka, 1989; Jehn, 1994), where highly congruent values are referred to as core values (Pant, Lachman, 1998; Senge, 1990).

⁸ As an example, the three “core values” of IBM as presented in their web-site are: *Dedication to every client's success; Innovation that matters, for our company and for the world; Trust and personal responsibility in all relationships* (Our Values at Work...).

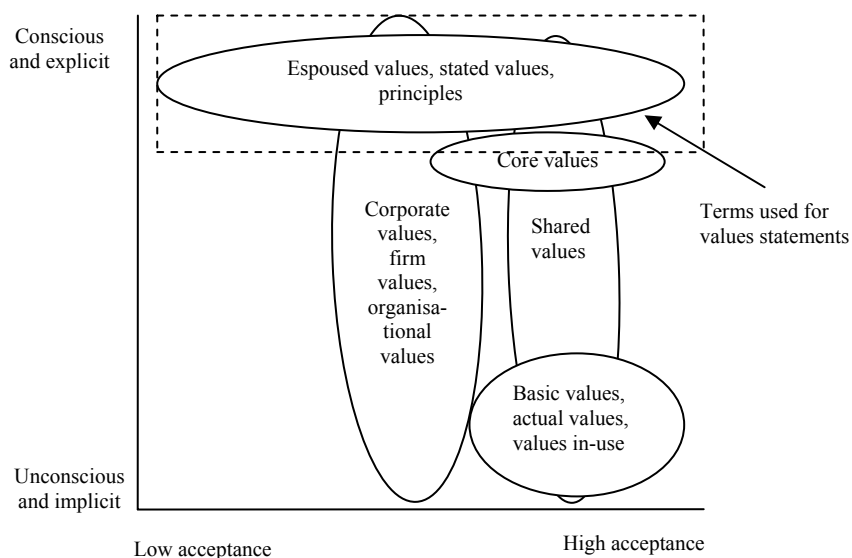


Figure 1.6. The different terms used to designate organisational values and values statements.

Source: compiled by the author

The role and dimensions of values in organisations

There is no organisation without values (Schein, 2004), so they are always present and manifest themselves in organisational artifacts, behaviours, processes, structures etc. Thus, values have an expressive role, but when it comes to MBV, the role of values is first and foremost to regulate employee behaviour to achieve superior performance as was depicted in Figure 1.4. That means that the effectiveness of MBV partly depends on the effectiveness of the defined values in the values statements and in order to assess the effectiveness of these it is useful to analyse different value categories. The following sections aim to clarify the characteristics of the values that are deployed in MBV.

According to the definition, values regulate both means and ends⁹. Some values are related to desired outcomes, whereas others are instrumental in making it possible to reach those end-states. A categorisation reflecting these functions in the organisation has been adopted by Dolan and Garcia (2002) and Dolan *et al.* (2003). They talk about basic or final values (where the organisation is heading and why does it exist) and operating or instrumental values (what are the organisation's ways of thinking and ways of doing in order to achieve basic values). Basic values are similar to "ideals" as suggested by

⁹ The distinction between values as means and values as ends was first made by Kluckhohn (1951), but it is more associated with Rokeach (1973) who developed a measurement instrument using these two types of values.

Maccoby (1998) and referred to as “aspirational values” by Lencioni (2002). Similarly, the “created values” put forward by Wenstøp and Myrmel (2006) resemble these values because they envisage tangible outcomes that different stakeholders expect from an organisation. Thus, there are different terms used by different authors to express the values that regulate the objectives of the organisation (see Table 1.2).

Table 1.2. Organisational values regulating means and ends according to different authors

	Dolan, Garcia (2002), Dolan <i>et al.</i>, (2003)	Maccoby (1998), Griseri (1998)	Lencioni (2002)	Wenstøp, Myrmel (2006)
Ends	Basic values, final values	Values as ideals	Aspirational values	Created values
Means	Operating values, instrumental values	Values as behaviour	Permission-to-play values	Protected values
		Values as character	Core values	Core values
			Accidental values	

Source: compiled by the author

Operating or instrumental values are more complex. They could be approached both from a behavioural point of view – what one should/should not do – and from an attitude or character point of view – what one should be like (Griseri, 1998; Maccoby, 1998). For instance, a behavioural outcome of the value *teamwork* would be that the work in the organisation is organised in teams rather than by individual assignments. A character outcome of the same value implies that employees share a strong belief in group synergy; they are team players by nature and are possibly recruited on this basis. Of course, the two approaches are not independent: it is assumed that attitude partly determines behaviour (see sub-chapter 1.1), but the question is rather which one takes priority.

Behavioural values often boil down to normative rules and standards; such values are referred to as “permission-to-play values” by Lencioni (2002) and “protected values” by Wenstøp and Myrmel (2006). The characteristics of these values are the absence of emotions and their inability to distinguish an organisation from its competitors. By contrast, values as character reflect emotions and attitudes; they form the heart of an organisation’s culture. Character is expressed via “core values” (Lencioni, 2002, Wenstøp, Myrmel, 2006): these function as a backdrop to all activities in the organisation and are a source of the company’s distinctiveness. A good example of a core value would be *mercy* and *compassion* in The Body Shop (Anderson, 1997), since it goes beyond behaviour; it is a way of thinking and a life-style. In addition, Lencioni (2002) talks about accidental values, which reflect employee interests (thus being an element of character), but have little to do with the organisation’s actual aim,

strategy and basis for success. The existence of such values has also been noted by Meglino and Ravlin (1998) as the ones that are in place albeit not critically for the organisation's survival or higher productivity.

The abovementioned spheres of regulation – ultimate objectives as ends and behaviour and character as means – form distinct value categories. Table 1.2 shows that authors label values with similar spheres of regulation dissimilarly, but the underlying categories are still the same.

The categories of values are relevant to distinguish because in trying to manage by values one should understand what types of values are more efficient for managerial purposes. It has been suggested that values statements should be about *how* rather than *what* to do (Kouzes, Posner, 1991; Blanchard, O'Connor, 1997, Dolan, Richley, 2006). This is to say that while values regulate both ends and means, it is the latter realm that deserves closer scrutiny. The same idea is embedded even in some definitions of organisational values, for example: "values are here-and-now beliefs about *how* things in the organisation should be accomplished" (Kouzes, Posner, 1991: 191). Instrumental values guide the process of working toward a desired state of affairs by regulating daily conduct of individual employees, yet they also have a merit of their own (Collins, Porras, 1996; Meglino, Ravlin, 1998; Prilleltensky, 2000). Basic values are no less relevant, but ideals and aspirations have their place in the organisational vision and mission rather than values statements (Collins, Porras, 1996; Lencioni, 2002; Dolan, Richley, 2006; Mattila, 2007). Burns (1978) established that transformational leaders use transcendent (i.e. basic) values rather than modal (i.e. instrumental and operational) values to inspire people, and Wenstøp and Myrmel (2006) find that created values are communicated most intensively compared to other types in American and Norwegian companies. This goes to show the relevance of both value categories in the general management arsenal, but values statements as a specific management instrument make more use of instrumental values.

As seen from Table 1.2, the choice between behavioural and character values needs to be made. Palmer *et al.* (2004) invite employers to get rid of the term "values" and talk about "principles" that specify how employees should behave at the workplace (and only there). Christensen and Cheney (2000) note with some anxiety the tendency for organisations to control employee behaviour even outside the workplace. There is some agreement that minimum standards of behaviour or protected values do not help an organisation or its stakeholders (Griseri, 1998: 178–181; Lencioni, 2002: 114, Wenstøp, Myrmel, 2006: 679) because regulating behaviour is not flexible enough to meet the complexity of organisational life and behavioural norms might outdate. Drawing a parallel from ethics literature, it can be contended that behavioural values follow the deontological approach, which describes what a person ought to do irrespective of the situation or the likely consequences. As such, these values are suited for codes of conduct and not for a values statement.

Thus, stating the values in terms of character might be more appropriate. Moreover, Speculand and Chaudhary (2008) point out that behaviour rests on

attitude and therefore, values have to define desired attitudes in the first place. In particular, these authors say: "... to demonstrate the behaviours, employees must adopt the right attitude..." (*Ibid.*: 327). Griseri (1998: 178) agrees to this by saying that the intention behind the act is essential for an understanding of what someone is doing. Therefore, core values as suggested by Lencioni (2002) and Wenstøp and Myrmel (2006) form the spine of the values statement. Values as character follow the spirit of virtue ethics because this is concerned with the characteristics of the person making the decision (Fitzgerald, Hamilton, 2006). It is believed that if people generally possessed the virtues (i.e. states of character) more good would result, given the context where s/he operates. Yet, virtue ethics and values as character need not be identical because virtue ethics lists certain virtues¹⁰ whereas the pool of possible values is much wider. In practice, though, they tend to work together.

However, knowing that the organisation is better off regulating employees' characters does not help much in determining the content of values statements. Therefore, particular value dimensions are discussed next and suggestions on the content of values statements are given, even though it is maintained that values should embed the uniqueness of the organisation. In effect, it is shown that the content of values statements largely corresponds to corporate social responsibility as conceptualised by Carroll (1991). His concept on corporate social responsibility is the most known to the present day.

Value dimensions and corporate social responsibility

Organisational values and social responsibility share similar grounds in management. For instance, in strategic management both have been suggested as a means to create competitive advantage in the market (Barney, 1986; Fitzgerald, Hamilton, 2006). Just as a strong organisational culture has been found to improve organisational performance, research on corporate social responsibility's effect on profits has been found to be positive (Orlitzky *et al.*, 2003; Allouche, Laroche, 2005). Given the above discussion about the link between values statements and virtue ethics, it is intuitive that the MBV and social responsibility are not distant from each other, but a more specific insight is needed to understand how the concepts are linked. The author of the thesis has chosen to demonstrate this relationship by categorising the content of values worked out by previous authors and link the result with the corporate social responsibility concept.

While some authors (Kouzes, Posner, 1991; Collins, Porras 1994, 1996) make it clear that there are no particular values that are guarantees for organisational success, Peters and Waterman (1982) listed certain common values that characterised successful companies, for example, *entrepreneurship*, *autonomy* and *bias for action*. Indeed, it is often pointed out that value statements in

¹⁰ For instance, Aristotle defined four virtues: *fortitude (courage)*, *justice*, *temperance*, and *prudence*. Plato adds *honesty*, *generosity*, *compassion*, *fidelity*, *integrity*, *self-control* (Fitzgerald, Hamilton, 2006:202).

organisations tend to be very similar (Solomon, 1999; Palmer *et al.*, 2004; Mattila, 2007). Therefore, it is natural to suggest that the content of values deal with certain aspects of organisational life. In the following discussion, the views of Prilleltensky (2000), Abbott *et al.* (2005), Dolan and Richley (2006), and Strickland and Vaughan (2008) shall be described. It is important to point out that these authors have developed their results as an abstract model of organisational values and only Abbott *et al.* (2005) derived their results empirically.

Organisational values, especially at the explicit level, should belong to three to five value sets according to these authors. Three sets are proposed by Prilleltensky (2000), Abbott *et al.* (2005) and Dolan and Richley (2006); each name these sets somewhat differently. Five sets are proposed by Strickland and Vaughan (2008) and their concept is presented last.

Prilleltensky (2000) talks about values for personal (or organisational) wellness – *self-determination, autonomy, growth* etc.; values for collective wellness – *social justice, support for community structures*; and values for relational wellness – *respect for diversity, collaboration, democratic participation*, etc. All these sets must be morally defensible. One can also notice that the first two sets belong to the basic value category, whereas values for relational wellness refer to instrumentality – “values that mediate between the good of the individual and good of the collective [...], values that uphold conflict resolution and collaboration” (Prilleltensky, 2000: 144–145) and this set resembles virtue ethics as described in previous section. Along the lines of the above argument, the organisation should first and foremost think about the qualities (character and attitudes) that help to balance conflicting interests. These would constitute their core values.

Similarly, three values sets (clusters) were revealed in the study by Abbott *et al.* (2005), who conducted an empirical study of organisational values in two Australian organisations. The authors started with a values taxonomy consisting of 24 values. The participants were asked to rate the values in their organisation on a scale from 1 to 7. The result of a principal component analysis resulted in humanity values – *consideration, cooperation, courtesy and forgiveness*; vision values – *adaptability, creativity, initiative and development*; and conservative values – *cautiousness, formality, economy, obedience and orderliness*.

Comparing these sets with the previous approach, humanity values are almost identical to what Prilleltensky (2000) called values for relational wellness. On the other hand, vision values resemble values for personal or organisational wellness. Conservative values have no direct counterpart in Prilleltensky’s (2000) concept. Dolan and Richley (2006), however, envisage a conservative value set via economic and control values. These include *efficiency, discipline, accomplishment of rules, span of control*, etc. In addition, they propose that any organisation should have ethical values that prescribe how people should conduct themselves in public, at work and in relationships – *honesty, congruence, respect, loyalty, dignity* etc., and developmental and emotional values – *trust, creativity, freedom, self-actualisation, flexibility*, etc.

One might assume that economic values as well as developmental values represent basic values – desirable ends – but interestingly, they are viewed as instrumental together with ethical values (Dolan, *et al.*, 2003: 32). However, Dolan and Richley (2006) admit that the energy devoted to studying namely ethical values has risen significantly since the 1990s.

A model of values from a different discipline has been worked out by Strickland and Vaughan (2008). These authors deal with non-profit organisations, but the model may as well apply to organisations in general. The starting point of the model is Maslow's hierarchy of needs and when translated to the organisational context, five sets of values in a sequential manner emerge (*Ibid.*):

- a) financial competence – wise asset management, maintaining solvency is a prerequisite for an organisation to survive.
- b) accountability – transparent procedures, proper oversight and external control. These values help an organisation to protect itself from unethical behaviour and prevent the expenditure of resources to investigate or mitigate the consequences of such behaviour.
- c) reciprocity – maximises acceptance and trust both inside and outside the organisation and is achieved via a clear understanding of what the organisation seeks to do, how and why.
- d) respect – relationship development, tolerance of differences of opinion, cultural diversity, etc.
- e) integrity and self-actualisation of the organisation – completeness and commitment to ethical behaviour, stewardship, serving the public.

In the spirit of Maslow's hierarchy of needs, this is the only concept where value sets are presented in hierarchical order. Of course, one has to be careful about the application of concepts developed for the individual level to other levels (Peterson, 2004). For example, Hofstede *et al.* (1990) have pointed out that dimensions of national culture are not appropriate for the analysis of organisational culture and proposed an alternative approach for organisations. However, in the current thesis the model is presented to demonstrate the similarity of results, even though the studies originate from different disciplines. It is obvious that there are analogies in all four concepts described above (see Figure 1.7). The order of the value sets rests on the values hierarchy suggested by Strickland and Vaughan (2008). The lower level value set deals with economic issues, the second level seeks counterparts for reciprocity and respect values, and the highest level contends with the fulfilment of organisational and individual goals.

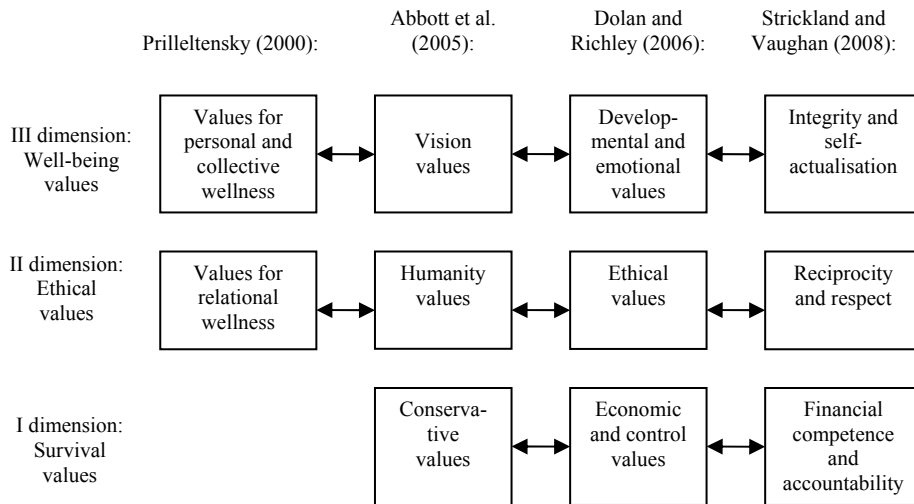


Figure 1.7. Organisational value dimensions
Source: compiled by the author

Figure 1.7 shows the emerging similarities in four approaches described. Three studies (Abbott *et al.* (2006), Dolan, Richley (2006) and Strickland, Vaughan (2008)) start with the value set that makes an organisation sustainable – survival values. It is interesting here that Dolan and Richley (2006) primarily talk about business organisations, Strickland and Vaughan (2008) limit their discussion to non-profit organisations and Abbott *et al.* (2005) conducted their research in government organisations and NGOs with a strong religious influence. Despite these differences, survival values are fundamental for all sectors. Prilleltensky (2000) does not separately address this dimension, because he only pays attention to values that are explicit and defined. Survival values need not be explicitly articulated for the public, but are nevertheless implicitly important. Values in the middle dimension deal with ethics and behavioural norms and there is an agreement in all studies that the task of these values is to enhance good relations inside and outside the organisation. The final dimension of values defines the ultimate purpose of the organisation and seeks an alignment of them with the goals of stakeholders relevant for the organisation. They are called well-being values in the current thesis.

In the above, the argument is in favour of defining the core values – those that reflect attitudes and character. When put into the context of value dimensions, these relate to ethical values in the first place, because ethical values regulate the means, whereas well-being values and survival values are more concerned about the ends. It has been demonstrated that ethical and well-being values drive positive workplace behaviours (Abbot *et al.*, 2005: 543). When the same authors tested the attractiveness of potential employers by manipulating the espoused value sets in the job openings, a clear inferiority of survival values emerged, whereas employee commitment to their current employer was

triggered by well-being and ethical values. Therefore, ethical values seem to be the best candidates for the values statement and well-being values should be stated in the manner of attitude or character. Survival values, if included in the values statements, should also refer to desired attitudes rather than organisational objectives¹¹. To illustrate this result the three dimensions of values in terms of what is preferred in a values statement form a mushroom (see Figure 1.8), where the largest part, the pileus, belongs to higher value dimensions and the survival values holding them up receded into the background.

Survival values, ethical values and well-being values, whether they are clearly defined or not, operate as guiding principles for various organisational internal and external activities. The concept that integrates these activities is corporate social responsibility (CSR), and it will be shown below that the structure of value dimensions is a representation of the theoretical model of CSR.

CSR is defined as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (European Commission, 2006). This definition highlights the integration of three dimensions – social concerns, environmental concerns and business or economic concerns. Edvardsson *et al.* (2006) studied narratives that were used to differentiate IKEA on the market and found that the organisation conveyed three distinct value categories: economic values, social values and environmental values. Hence, communications about IKEA as a brand were intentionally or unintentionally in exact concordance with the CSR concept. But to generalise the finding let us consider the classic work by Carroll (1991). He divided overall CSR into four kinds of social responsibilities – economic, legal, ethical and philanthropic – and there are evident inter-linkages between his pyramid of CSR and the organisational value dimensions presented earlier in Figure 1.7. (see Figure 1.8).

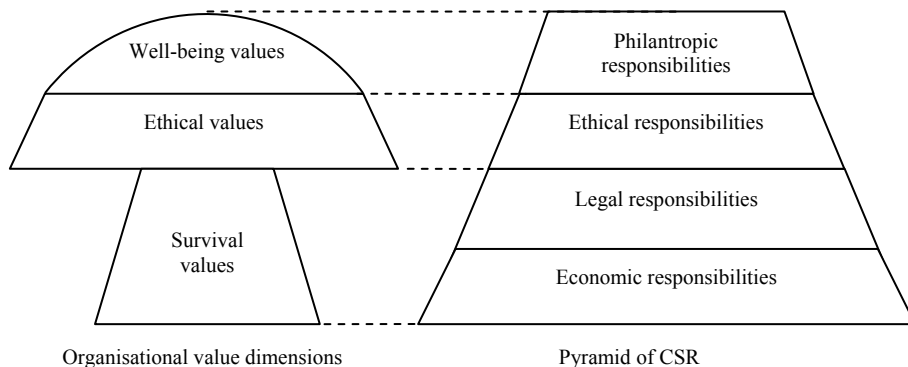


Figure 1.8. The similarity of the structure of organisational value dimensions and the CSR pyramid

Source: Compiled by the author based on Carroll (1991)

¹¹ Examples of well-being values expressed as attitudes include *will to excel* or *dare to differ*; survival value in terms of character would be *cost-consciousness*.

When observing organisational value dimensions in the context of CSR, it becomes clear that these concepts are inherently related. Of course, this is not a novel idea. Literature on values often refers to the ethical behaviour of organisations and its individuals (Chen *et al.*, 1997; Griseri, 1998; Solomon, 1999; Driscoll, Hoffman, 2000; Stackman *et al.*, 2000). As for the relationship between the two phenomena, Andrews (1971) states that ethical behaviour is a product of organisational values and Joyner and Payne (2002) see values, ethical behaviour and CSR as somewhat interdependent. This dependency is described by de Colle and Gonella (2002: 96) as follows: "...if an organisation reports on its social performance, [...] it will also enhance corporate credibility and this, in turn, can facilitate the process of the development and revision of the company's values". Übuis and Alas (2009) conclude that organisational culture predicts some facets of CSR, namely performance concerning social issues and respecting the interest of agents. These facets relate to ethical and philanthropic responsibilities according to Carroll (1991).

Nevertheless, the concordance of CSR responsibilities and specific organisational value dimensions has not been explicitly demonstrated. Survival values are very similar to what Carroll (1991) has in mind under economic and legal responsibilities: these two responsibilities coexist in order to ensure a free enterprise system (Carroll, 1991: 41). They reflect the need for the organisation to be profitable, efficient and meet minimal and expected legal requirements and obligations. The values proposed by Abbott *et al.* (2005) – *cautiousness, economy, formality* –, Dolan and Richley (2006) – *efficiency, order, discipline, accomplishment of rules* –, and Strickland and Vaughan's (2008) call for wise asset management, proper oversight and external control are just the values that help the organisation fulfil its economic and legal responsibilities.

In the same vein, ethical values help to carry out ethical responsibilities. Carroll (1991: 41) writes: "Ethical responsibilities embody those standards, norms or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect of protection of stakeholders' moral rights". This is best supported by Strickland and Vaughan's (2008: 237) discussion about reciprocity value; in particular, the authors suggest matching stakeholder interests with the organisation's interests. Values dealing with relational wellness according to Prilleltensky (2000), humanity values according to Abbott *et al.* (2005) and ethical values according to Dolan and Richley (2006) follow the same idea.

While previous responsibilities were almost identical to the respective value dimensions, philanthropic responsibilities and well-being values are only partially congruent. Carroll (1991) views philanthropic responsibilities as charitable activities, contributing to the arts and education and developing quality of life in the local community. This matches best with the collective wellness values defined by Prilleltensky (2000), and self-actualisation values by Strickland and Vaughan (2008), since they considered non-profit organisations. However, Abbott's *et al.* (2005) vision values, Dolan and Richley's (2006) developmental and emotional values as well as Prilleltensky's (2000) personal

wellness values are primarily internally focused, and therefore, do not lead to organisational philanthropy. Emotional values and personal wellness values have to do with motivating job-design and supportive organisational work-environment, and providing this on the part of organisation is a philanthropic responsibility insofar as employees are the members of a society.

It might be said that there are two types of philanthropies – concern for the external environment and concern for the internal environment. In the CSR concept, the external environment takes priority, whereas the concepts of organisational values stress the internal environment, and especially the well-being of employees. Collins and Porras (1996: 8) maintain that the core ideology (i.e. values and purpose) of the organisation has to be meaningful and inspirational for people only inside the organisation. This is a statement that some authors (Scholes, James, 1997; Thomsen, 2004) do not agree with, but it does elevate the importance of the internal environment when it comes to values. Despite this, there is a conceptual linkage between organisational values and CSR, because both concepts are concerned about the role of the organisation in society and the heed to be paid to multiple stakeholders. Thus, by regulating means and ends, the broader role of organisational values is to remind organisations about their social responsibilities.

In this sub-chapter it was shown that values in organisations are there to regulate different spheres of organisational life – its goals as well as the behaviour and character of its employees. The synthesis of the literature on value sets demonstrated that in general, there are three main dimensions of values – survival values, ethical values and well-being values. It was concluded that for a values statement it is recommended to use values that regulate people's attitude or character and these should deal with the ethical dimension in the first place. It was also shown that organisational value dimensions mirror the idea of CSR, although the latter is more externally oriented than organisational values. Therefore, in defining the values, the organisation also defines its position with respect to CSR, but it might as well work *vice versa*: if the organisation has clear CSR policies, it is a useful source for defining its values for MBV.

1.3. Research questions and propositions

In this sub-chapter, the author sets up four research questions and 17 propositions for the empirical part of the thesis. The questions and propositions stem from the theoretical framework discussed in sub-chapters 1.1 and 1.2.

Starting from the first phase of MBV – defining the values – it was elaborated that the literature is not consistent with regard to whose opinions matter in this phase, and what procedures are available to synthesise the views of different stakeholders. The only point of consensus was that managers play a

key role in leading the defining process. Thus, the first research question (RQ1) addressed by Study 1 is:

RQ1: Which stakeholders should be engaged in defining organisational values and how?

The second or communication phase of MBV was deemed critical in order to even up the variety of interpretations of values among the employees. Also, it was important to hold ongoing discussions about values because the values are functionalised through the exchange of interpretations. Given that interpretations tend to vary unless the process is directed, it is relevant to know if there are any regularities about the way people perceive organisational values. Therefore, the second research question (RQ2) discussed in Study 2 and Study 4 is as follows:

RQ2: What affects the perception of organisational values?

Moving on to the third and final phase of MBV – aligning values and practices – two research questions are set forth. In sub-chapter 1.2 it was argued that the structure of organisational values corresponds to the CSR concept (e.g. Figure 1.8), where organisations' economic and legal responsibilities are reflected in survival values, ethical responsibilities are supported by ethical values, and philanthropic responsibilities are partly guided by well-being values. Accordingly, CSR is an organisational practice that cannot be pursued in isolation from values, but it also deserves empirical investigation. Stemming from it, the third research question (RQ3), which is explored in Study 3, is as follows:

RQ3: How are organisational values and practices (using the example of CSR) related?

The alignment of values and practice was claimed to be the most challenging phase and the difficulties that managers face when designing a values-aligned performance management system were described. Even in the MBV literature the alignment activity is treated as an incessant concern and the ideal situation where practice never diverges from the stated values is hardly ever reached. This leads us to ask why the goal is so difficult to attain and Study 4 answers the fourth research question (RQ4), which is:

RQ4: Why do organisational values and practices diverge?

A summary of the research questions and how they relate to different phases of the MBV process is illustrated by Figure 1.9 and below specific propositions are provided for each research question.

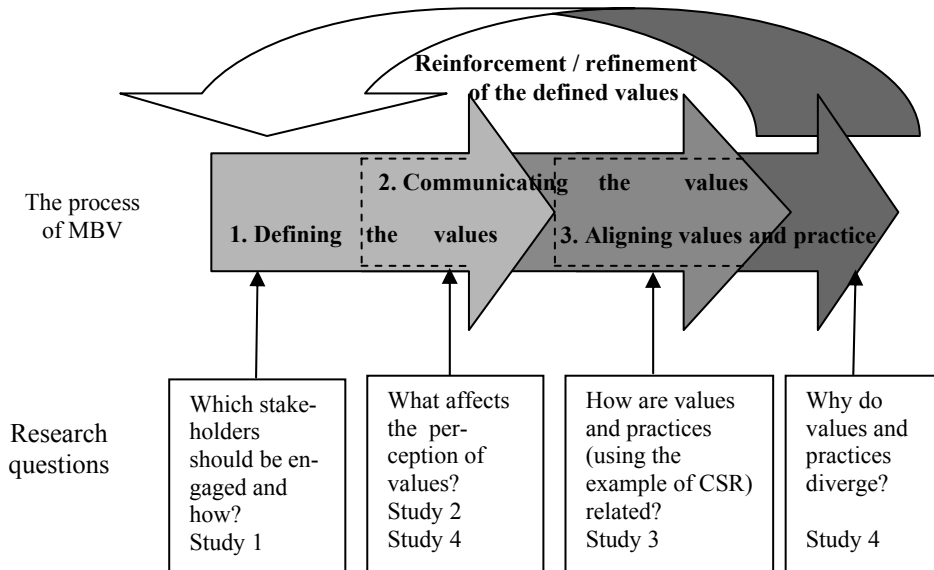


Figure 1.9. Research questions as they relate to the phases of the MBV process.
Source: compiled by the author

The definition phase immediately poses the question of which stakeholders should be engaged in this process. Prilleltensky (2000) recommends collaborative participation of employees and communities in the decision-making processes that affect their lives. Lewis *et al.* (2001) invite managers to grant access for stakeholders to decision-making based on the impact that the decision would have on them. Along these lines, it is expected that the decision for the engagement of one stakeholder group together with or instead of another group is based on the perception of influence that the values-to-be-defined would have on these groups. Therefore, the greater the potential influence of the values on a particular stakeholder group the more likely it will be engaged. Particular stakeholders may vary in different organisations, but in general, there are three groups that stand out in the literature.

The basic idea behind MBV is to improve the performance of the organisation (Peters, Waterman, 1982; Collins, Porras, 1994; Dolan, Garcia, 2002, Buchko, 2007; Marginson, 2009). It can therefore be concluded that owners are highly affected by organisational values. However, MBV literature mainly deals with two groups of stakeholders: managers and employees (Prilleltensky, 2000; Lencioni, 2002; Johannsen, 2004; Pedersen, Rendtorff, 2004; Knoppen *et al.*, 2006; Whitley, Whitley, 2007). While there are authors who emphasise the importance of engaging other stakeholders as well (Scholes, James, 1997; Gotsi, Andrioupolis, 2007; Whitley, Whitley, 2007) in some stage in the defining process, the following proposition, 1a, regarding the influence of values on stakeholders, can be formulated:

Proposition 1a (P1a): *The stakeholders most affected by the (yet undefined) values are owners, managers and employees of the organisation.*

The selection of stakeholders to be involved in the process of defining the values says nothing about the extent to which their views would matter in the final decision about the values. The literature offers a variety of views about the need for and forms of stakeholder engagement. Lencioni (2002: 116) writes: “Values initiatives have nothing to do with building consensus – they’re about imposing a set of fundamental, strategically sound beliefs on a broad group of people”. This approach is labelled “company flag” by Griseri (1998: 167–168), who believes that the most appropriate method for putting together the values statement is when a wide range of people are involved in its formulation and there is a broad discussion about its content. Indeed, engagement of the employees in the phase of defining the values (or conducting a values audit for potential redefinition of values) has been reported in many studies: for example, Barrett (1999), Majer (2004), Hemp and Stewart (2004), Pedersen and Rendtorff (2004), Brønn *et al.*, (2006) and Whitley and Whitley (2007).

Since it is the employees that make the values “live”, their engagement ensures that they find the values meaningful and are more willing to contribute to the improvement of organisational performance. Engagement creates a sense of ownership, and acceptance of “own” values is much more likely (Griseri, 1995). Urbany (2005) demonstrates the positive relationship between employee satisfaction with the values statement development/implementation process and their assessment of the usefulness of a statement. Values differ from compulsory norms due to their voluntary nature – they are selected by the individuals themselves and are the highest expression of free will (Mowles, 2008). All this speaks in favour of engagement and is in sharp contrast with autocratic decisions about values or equating the manager’s values with organisational values.

A core values model proposed by Whitley and Whitley (2007) takes into account both managers’ expectations for employees and employees’ expectations for managers to reach a joint set of value rules (*Ibid.*: 183). Brønn *et al.*, (2006) introduce a values-filtering model, which rests on employees’ personal values entirely, and organisational values are obtained through “filtering” individual values. This goes to show how widely views on the importance of the employee voice in the formulation process vary – according to Lencioni (2002) information-dissemination would be an appropriate form of engagement, whereas many other authors suggest partnership or at least, consultation with employees.

As for other stakeholders the literature is extremely scarce. Christensen and Cheney (2000) state that organisational identity initiatives are only relevant to the organisations themselves, and there is a lack of interest among consumers let alone the general public in these issues. Whitley and Whitley (2007) suggest that market expectations should be present in the values, but the knowledge about this comes from managers and employees together. Some authors propose

some form of consultation (Prilleltensky, 2000; de Colle, Gonella, 2002; Gotsi, Andriopoulos, 2007), rarely partnership (Scholes, James, 1997) with outside stakeholders. Proposition 1b derived from the previous proposition and the literature would be as follows:

Proposition 1b (P1b): *The stakeholders more affected by the (yet undefined) values, i.e. owners, managers and employees are engaged more intensively (using consultation and partnership) in the process of defining the values.*

A fragment of the research model from the thesis containing P1a and P1b is presented in Figure 1.10.

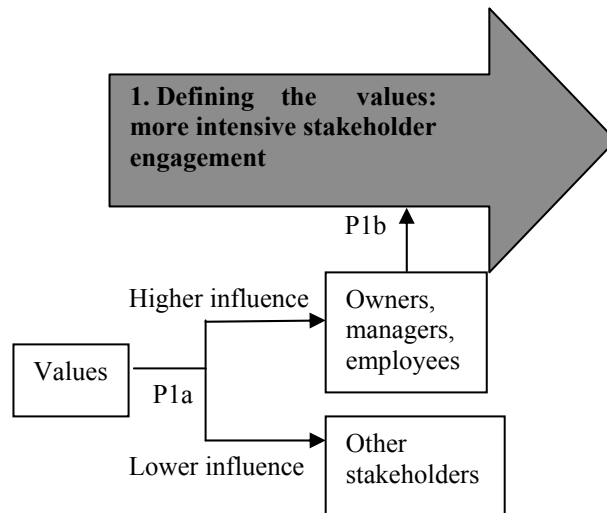


Figure 1.10. Research propositions regarding stakeholder engagement in the process of defining values.

Source: compiled by the author

The next set of propositions deal with the communication phase of MBV. The perception of values is crucial for any communication policy design because, as shown earlier, varying interpretations may cause problems for the organisation. Empirical literature talks about perception rather than interpretation of values and it has been found crucial in determining organisational and individual outcomes. Lankau *et al.* (2007) suggest that value perceptions are more strongly related to some organisational non-financial outcomes than are actual value similarities or dissimilarities. The same is concluded by Verquer *et al.* (2003), Abbott *et al.* (2005) and Cennamo and Gardner (2008): the perception or subjective measures of organisational values appears to be the best organisational commitment predictor, more so than personal values or even the fit between organisational and personal values.

The classic communication model involves two parties – the sender and receiver – and the intended meaning by the sender may not be the same as perceived meaning by the receiver. The defined values may be decoded very

differently depending on the receiver's characteristics, interests, his/her relationship with the organisation etc. There are many studies to confirm that some aspects influence the perception of organisational values. For example, Urbany (2005) discovered that respondents perceived values statements more positively if the actual values statement development, training and implementation process in the organisation was close to their personal ideal model. Thus, the difference between the desired and actual involvement in the values statement process affected the perception.

People are more likely to be invited to participate in organisational development endeavours if they are generally more involved in an organisation – those who are more committed and are willing to contribute to the development of the organisation. Mattila (2007) reports that managers see organisational values in a more positive light than employees do – this may be caused by higher involvement within the organisation, but also managers tend to have longer tenure in the organisation. She further concludes that employees with fixed-term contracts give lower regard to organisational values and this is explained by of the lower commitment on their part.

Length of service in an organisation is found to be positively related to organisational commitment (Dutton *et al.* 1994; Abbott *et al.*, 2005), which indicates that ‘older’ members give more appreciation to the values of the organisation. Bocchino *et al.* (2003) support this by finding that members who have been on their job longer tend to report higher personal-organisational value fit. Elias (2004) concludes that less experienced accountants report lower ethical values in their organisations compared to colleagues with longer service. This would also be in accordance with the principles suggested by the attraction-selection-attrition framework (Schneider *et al.*, 1995). Since older members have stronger linkages in their minds between the values and existing structures and policies, they are also keener to interpret any change to breach the values. Reino (2009) finds that based on Estonian organisations, length of service among employees affects their perception of organisational culture. Thus, proposition 2a and 2b are as follows:

Proposition 2a (P2a): *Perception of organisational values is affected by the respondent's involvement with the organisation*

Proposition 2b (P2b): *Perception of organisational values is affected by the respondent's tenure in the organisation.*

There is slight evidence that the perception of organisational values may be affected by gender. Van der Wal and Hubert (2007) find that female business managers give higher regard to certain values (*social justice, transparency, accountability, impartiality, sustainability*) and lower regard to *profitability*. Unfortunately, the number of female respondents was too small for any generalisations. In the study by Burke *et al.* (2005) of a sample of Australian psychologists, men reported significantly higher work involvement, but were similar to women in assessing organisational values regarding support for work and personal life integration. Cseh *et al.* (2004) analyse gender differences in the

perception of organisational culture and found significant variation for Russia, where women rated higher in *paternalism*, *fatalism*, *obligation* and *participation*. Men rated higher in the perception of *pro-activity*. This may show that female employees in Russia would less likely question the organisational values compared to males.

While it would seem that women are more inclined to identify themselves with the organisation and attach positive characteristics to it (Hakim, 1991), little is known about why such a difference exists. There might be several explanations, one being labour market segregation. Even though women actively participate in the labour market today, it is not assumed in many societies that they should necessarily work. So if they do, they would more likely be in jobs and organisations that they genuinely like. Also, women occupy positions that have to do with serving internal or external customers and this role may also dictate a different perception of values. Finally, women tend to earn less compared to men (considerably so in Estonia), which makes financial rewards as a primary motive to work less relevant for them. This might strive to find other justifications in order to minimise cognitive dissonance and one justification at hand may be pleasant colleagues and respectable organisation to work in. From these elaborations proposition 2c is formulated as follows:

Proposition 2c (P2c): Perception of organisational values is affected by the respondent's gender.

There is widely shared consensus about the critical role of top executives when it comes to organisational values (Badaracco, 2003; Lencioni, 2002; Griseri, 1998; Solomon, 1999; Schein, 2004; Cha, Edmondson, 2006). Leaders have the tools available to teach organisational members how to perceive, think, feel and behave. Schein (2004) describes specific mechanisms that leaders use to send messages about values. What leaders measure and control on a regular basis must be valuable to the organisation, and the way resources, rewards and status are allocated defines value priorities. Leaders have an authority to recruit, select, promote and excommunicate – again, the choices made reveal something about the values. When the organisation faces crises, everyone expects the leaders to react and say what to do, and as this is an emotionally charged situation, organisational learning about the values that are supported during this period intensifies. The leader's role modelling, teaching and coaching that take place informally represent small but significant value actions. This role has led to increasing attention to be also paid to middle managers or immediate supervisors (Prilleltensky, 2000; Pedersen, Rendtorff, 2004; Buchko, 2007; Mattila, 2007). Unlike top-management, middle managers are involved in daily activities, they are visible examples to employees, and they know best how to coach the staff to better implement the values.

Hatch (2000) states that managers and leaders are symbolic artifacts themselves and their behaviour is attached meanings by the members of the organisation as any other organisational artifact of symbolic value. In the context of MBV, whereby everybody is expected to behave according to stated values, managers' maintenance

of special role in creating meanings is intriguing. It has been found that employees perceive the values-related decisions of a person differently based on the person's position in the organisation (Cha, 2004). According to Cha's experiment, managers' actions are more likely to be seen to follow organisational values. On the other hand, managers may prove to be the very sources of cynicism among employees: *The Management Agenda 2007*, surveying 500 managers in the UK, reports that as much as 60% of respondents reckon that the espoused values and actual values in their organisation do not match, the main reason being that managers "do not walk the talk" (Garrow, Stirling, 2007). It is important to note here that once such an accusation is made, there is a high probability of the same occurrence in the future. This is what Cha and Edmondson (2006) call hypocrisy attribution. Thus, position probably plays a significant role, but no hypothesis can be made as to whether the influence is positive or negative:

Proposition 2d (P2d): *The perception of the relevant values depends on the organisational position held by the person observed.*

Propositions related to perception of values are illustrated in Figure 1.11.

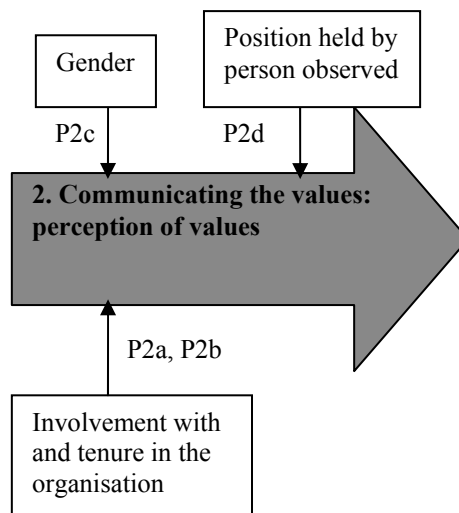


Figure 1.11. Research propositions regarding the perception of values
Source: compiled by the author

The following propositions deal with the alignment of organisational values and practice. First, it is explored whether and how CSR is related to organisational culture as a proxy for values. As was shown in sub-chapter 1.1 organisational values are seen as being the heart of organisational culture, and therefore, studying organisational culture makes it possible to study values as well. There is a widespread understanding that strong organisational culture and values facilitate individual ethical behaviour and CSR (Paine, 1995; Chen, *et al.*, 1997; Joyner, Payne, 2002; Bansal, Kandola, 2004). As was described in sub-chapter

1.2, the value dimensions in organisations do in fact deal with dimensions of CSR one way or another¹². It is argued that CSR is a tool for shared values to surface in organisations, thus values enforce CSR, but also *vice versa* (de Colle, Gonella, 2002; Joyner, Payne, 2002; Genest, 2005). That means that organisations with higher CSR create a stronger organisational culture over time. Accordingly, proposition 3a can be set as follows:

Proposition 3a (*P3a*): *In organisations with a higher degree of CSR there is a stronger organisational culture compared to organisations with a lower degree of CSR.*

One dimension that characterises a certain organisational culture (and values, accordingly) is task orientation and another is relationship orientation. Task orientation shows the employees' desire to accept the goals and tasks of their organisations; relationship orientation reflects the employees' support and the promotion of the feeling of togetherness (Vadi *et al.*, 2002). When relating this concept to the value dimensions presented earlier (see Figure 1.7), broad connections might be drawn between the dominance of survival values and task-orientated organisational culture, dominance of ethical values and relationship-orientated organisational culture, and well-being values relate to both task and relationship orientation.

In Carroll's (1991) pyramid of CSR there are responsibilities that mainly relate to collective values: treating stakeholders justly, caring for community development etc. (see sub-chapter 1.2). Chen *et al.* (1997) state that ethical awareness is raised by creating a cooperative organisational culture. Carrasco (2007) maintains that cooperative-type organisations are socially responsible by nature. Somech and Ron (2007) conclude from a survey of schools that collectivistic organisational values positively and significantly influence teachers' altruism, conscientiousness, sportsmanship and civic virtue. Here again, one can see that values are more related to internal rather than external philanthropy. In addition, authors relate individualistic values – organisations that stress personal well-being values like *autonomy* and *self-reliance* – with the inhibition of pro-social behaviours (*Ibid.*: 57). The obvious conclusion would then be that a dominance of relationship orientation reinforces CSR. Despite Waldman *et al.* (2006) finding that in-group collectivism had no significant effect on CSR, proposition 3b is formulated as follows:

Proposition 3b (*P3b*): *In organisations with a higher degree of CSR, relationship orientation is more appraised compared to organisations with a lower degree of CSR.*

Figure 1.12 shows the relationships under study.

¹² It is interesting to note here that Van der Wal and Hubert (2007) found values traditionally expressing CSR, like *sustainability* and *social justice*, being rated relatively low compared to other values in both the private and public sector in the Netherlands.

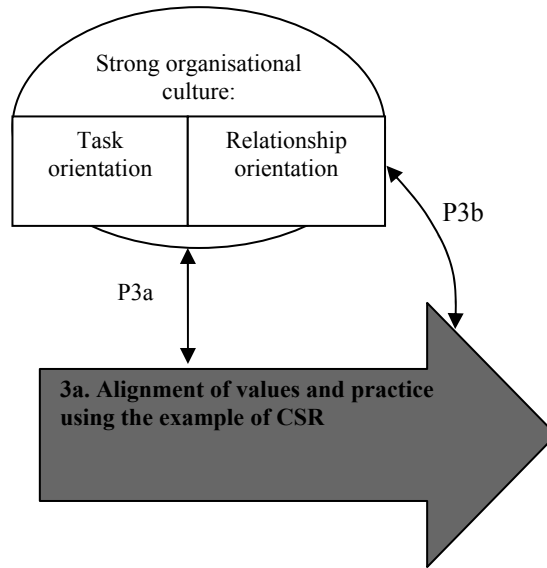


Figure 1.12. Propositions regarding the alignment of values and practices using the example of CSR.
Source: compiled by the author

The final set of propositions in the thesis directly addresses the potential stumbling blocks on the way to aligning values and practice. In particular, the divergence of values and practice is focused on – meaning that the reported course of events in practice did not correspond to what the organisational values would have predicted. The reasons for this divergence constitute additional aspects that one has to be mindful of in the process of MBV. Here, the aspects cover organisational, situational as well as intra-organisational level variables. The order of propositions is organised so as to start with variables involving organisational demographics (P4a, P4b) then turning to situational variable (P4c) and ending with intra-organisational aspects (P4d-P4i).

As noted in sub-chapter 1.1, the roots of MBV are in the private sector. There are contrasting views about whether managerial practices developed in the private sector could or should be adopted by the public sector. Boyne (2002) conducted a meta-study of the differences between the public and private sector and concluded that the similarities are far greater than differences and therefore private sector practices should not be rejected on the grounds of inter-sectoral differences. Dolan and Richley (2006) maintain that MBV is the dominant strategy in the 21st century, no matter what type of organisation is in question. However, Griseri (1998: 70), for example, argues that trying to manage values may be more appropriate for some organisations and less for others. Although he does not point to the private sector as a superior candidate, it can be concluded that complex organisations with the presence of subcultures may encounter more difficulties with MBV. Problems in the public sector related to

organisational values are clearly spelled out by Brunsson (2002), who makes a case that political organisations cannot absorb the virtue of MBV. The reasons for this are constant conflicting interests that public organisations have to shuffle between and MBV does not allow for such ambiguity.

McCourt (2007) suggests that MBV in the public sector is only viable if values are translated into norms because these are viewed as legitimate by public servants, but values may be deemed inadmissible. But then it resembles a traditional bureaucracy rather than MBV. Other empirical evidence does not support a poorer performance on MBV in the public sector. Elias (2004) finds that accountants in the public sector have a higher perception of ethical values of their organisation compared to those in business organisations; Pedersen and Rendtorff (2004) show that MBV can be successful in the public sector (municipality); and Johannsen (2005) does not detect any gaps or conflicts between the expressed values and actual behaviour among public libraries in Denmark. Van der Wal and Huberts (2007) claim that stating public values is the liveliest and most prominent trend in contemporary public administration and public management, although the values in the public sector differ remarkably from the values in the business sector. As a result, proposition 4a is as follows:

Proposition 4a (P4a): Values and practices diverge similarly in the public and private sector.

It might be expected that large organisations are more vulnerable in terms of aligning values and practice. Firstly, it is more common for larger organisations to define values (Collins and Porras, 1994; Anderson, 1997; Wenstøp and Myrmel, 2006), and as soon as values are defined the misalignment is easier to recognise. Secondly, the risk of not knowing, understanding or accepting the values increases with the number of employees – it is more difficult to engage a lot of people in the defining phase, the variety of interpretations of values is inevitable, and discussions and direct communication is more difficult to pursue. Elias (2004) concludes that unethical activities are more common in larger firms. Given the above, proposition 4b is established as follows:

Proposition 4b (P4b): Values and practices are more likely to diverge in large organisations.

MBV is meant to affect employee behaviour; the failure to do so would result in divergence of values and practice. While it would be relatively easy to train employees to recognise deficient products and not sell them to customers, it is more difficult to assess and manage politeness towards colleagues when deadlines and interdependency put pressure to relationships. When Meyer (1995) analysed value-breaching incidents at a community childcare centre, they were about people not giving or receiving information, not understand or being rude to each other, etc. Indeed, there are some types of events that are perceived as more difficult to manage (Smith, *et al.*, 1997). Incidents or events in the current thesis involve observed human activities trying to cope with organisational realities (see also sub-chapter 1.4).

In MBV, value-breaching behaviour makes up an incident that should be immediately confronted, but Griseri (1998) warns that a pure values-based approach when there are people involved may be naïve, like seeing the world in black and white. He claims that MBV may be counterproductive when its intention is to regulate people's behaviour rather than their attitudes. Disregarding motives and situational factors by strictly observing whether the behaviour is in alignment with the values is cutting oneself off from the realities that people have to face in practice. The problem is that while behaviour is visible, attitudes are not, and other members take cues from what they see. So, if a manager does not react to seemingly value-breaching behaviour, it is interpreted as toleration of the violation of values, regardless of the underlying reasons. The dilemma between reacting to behaviour and reacting to motives leads us to hypothesise that:

Proposition 4c (*P4c*): *Values and practice are more likely diverge in incidents related to human resources compared to other types of incidents.*

MBV requires resources for its introduction as well as for its implementation. For example, Pedersen and Rendtorff (2004) describe a time-consuming MBV introduction programme in Danish public sector organisations involving external consultants. Resources spent in practice on training, communication and continuous support to remind employees of the values were substantial (Weaver *et al.*, 1999; Driscoll and Hoffman, 2000). Values can become operational only if leaders have faith in their individual employees and teams to be able and willing to select the "right" course of action when confronted by a collection of alternatives (Edgeman, Scherer, 1999). Having this faith allows them to give increased autonomy with regard to resources at the employee level. Whitmire (2005) and Chen *et al.* (1997) relate ethical and value-based behaviour with employee empowerment: employees must be given authority to make decisions and handle customer disputes on the spot. This means that employees should be provided with the necessary resources for the organisation to live up to its values. Thus, in addition to the resources needed to introduce MBV, its implementation requires the allocation of resources such that the values can be delivered at the grass-roots level. In reality, managers may fear that employee empowerment gives grounds for the irresponsible misuse of resources: centralisation is maintained and delivering values in many instances remains at the management's discretion. As time is critical on most occasions, the need to coordinate with managers may mean that values are undermined in practice. In the empirical study not only financial resources are considered here, but also time and extra effort are part of this category. Proposition 4d is set forth as follows:

Proposition 4d (*P4d*): *Values and practice diverge because of a lack of resources.*

Communication of values was discussed in sub-chapter 1.1 as a phase of MBV that is embedded in the definition and implementation of values. But in addition to this, separate activities might and should be undertaken to increase the awareness of the values and promote their acceptance. This may take various

forms – memos, speeches, employee handbooks, coaching, public banners, posters, press releases, advertisements etc. On the one hand, values help make decisions and come up with efficient and consistent responses to most problems (Anderson, 1997; Williams, 2002; Pedersen, Rendtorff, 2004; Urbany 2005), on the other hand, the connection between values and decisions is exploited both ways in MBV – decisions in turn should reinforce the values because decisions send messages about the priorities in practice. Managers should be aware that decisions and actions are evaluated with reference to individual standards (even if organisational values are well accepted) and when incongruence occurs, people do not seek for clarification (Cha, Edmondson, 2006). Therefore, in MBV it is important that decisions should be communicated and if needed, also defended on the grounds of values (Pedersen, Rendtorff, 2004). Lack of communication may explain the divergence of values and practice in several ways: people may not know what the values are, or may not understand the values in the way they were meant, or they may not believe that the practice did not diverge from values if looked from a different perspective. Hence:
Proposition 4e (P4e): *Values and practice diverge because of a lack of communication.*

The aim of MBV is to grant acceptance of relevant values both inside and outside the organisation, and to achieve that internal commitment to values is critical. This may sound self-evident, but many unfortunate situations are reported where values are extensively used for public relations while losing touch with organisational reality. Christensen and Cheney (2000) describe in length such practices in contemporary business. In the long term, the gap is bound to be found between the created image – the perceived values of the organisation – and its actual identity – the practice it is engaged in. Usually, the relevance of commitment is emphasised with regard to top managers. Weaver *et al.* (1999), for example, found that values-based ethics programmes and the way they were implemented in organisations were attributed to manager's personal commitment to these values. Employee commitment is less an issue. Prilleltensky (2000) points out that value-based actions occur naturally when employees' personal interests are not threatened and the organisation's vision and values are clear. However, commitment to values will likely diminish if employees' personal interests are at risk, violated or in conflict with the values. The mechanisms for generating commitment and destroying it are complex and not the focus of the current thesis. However, MBV literature leads to propose that:

Proposition 4f (P4f): *Values and practice diverge because of a lack of commitment.*

It was demonstrated in sub-chapter 1.1 that MBV considers employees' behaviour shaped by their attitudes and organisational performance measurement system (Figure 1.4). When the behaviour or practices diverge from the organisational values, it is likely that the performance management system is ill defined in terms of values. Pedersen and Rendtorff (2004) describe in detail how a values-based performance management questionnaire was developed and how a 360° evaluation

took place in a public sector organisation. In effect, they show how the performance management system carefully took into account the changes in values. Cha and Edmondson (2006) describe the redesign of a recruitment and compensation system when the CEO wished to emphasise certain values in an advertising company. Again, the system was a by-product of organisational values; however, it did not change by itself, it had to be adjusted. In short, values should be integrated into training programs, career consultations, salary-systems etc. Certainly, this is part of the resource allocation activity discussed in proposition 4d. Consequently, proposition 4g is stated as follows:

Proposition 4g (P4g): *Values and practice diverge because of internal organisational systems failing to support the values.*

Numerous authors draw attention to the problem of clashing values (Meyer, 1995; Driscoll, Hoffmann, 2000; Boyd, Stahley, 2005; Whitmire, 2005; Cha, Edmondson, 2006), but they also reckon that consistency is not easy to reach because there is potential for conflict between every pair of values. Examples of values that contradict in certain situations are *integrity* and *harmony*, *customer orientation* and *performance orientation*; even *authority* and *autonomy* may be inconsistent (Meyer, 1995). Less potential for conflict is embedded in pairs such as *teamwork* and *respect*, *compassion* and *care*, *sustainability* and *development*, although some friction cannot be entirely ruled out even here.

Collins and Porras (1994) also acknowledge this issue; however, their approach is that conflicting values are not a problem if an organisation agrees on how both values can be achieved. This is similar to Prilleltensky's (2000) view that personal and collective wellness values are in conflict by nature and this is why an organisation needs relational wellness values. Blanchard and O'Connor (1997) hold a different perspective: they maintain that values should be prioritised in order to avoid the adoption of situational ethics. Cha and Edmondson (2006) propose that the potential or actual value conflict should be explicitly drawn attention to among stakeholders to prevent hypocrisy attribution and disenchantment. Lord and Brown (2001) propose a model according to which the leader's activation of conflicting values (e.g. self-enhancement and self-transcendence simultaneously) results in no or a weak impact on follower's goals and behaviours. It would be ideal if values were not in conflict, yet it seems to be unrealistic, and thus:

Proposition 4h (P4h): *Values and practice diverge because of inconsistent organisational values.*

Values are idealisations at least to some extent (Griseri, 1998; Cha, Edmondson, 2006; Buchko, 2007; Mowles, 2008) – recall the aspirational values and well-being values in sub-chapter 1.2. Even when values are defined in terms of an instrumentality that regulates character, for example *initiative*, it is still abstract enough involving the entire span of the desired quality. No one is able to demonstrate excellent initiative all the time and sooner or later the business realities supersede that value. Therefore, occasional deviations from values are inevitable (Anderson, 1997; Griseri, 1998; Brunsson, 2002; Badaracco, 2003; Palmer *et al.*, 2004) and the more idealistic the value the more frequent the deviations.

But leaving aside the idealistic nature of values, they still might become more and more idealistic over time. Firstly, this may occur in a rapidly-changing environment, when values do not adjust (Anderson, 1997; Kabanoff, Daly, 2002). Values that helped the organisation in the past may prove inefficient or even fatal as time goes by, and in order to save the organisation from perishing, practice diverges from the agreed values. Somewhat contradictory to idealism is the fact that if a value is too tightly linked to a chosen strategy, the more likely it will become idealistic because strategies should follow the changes in the external environment. Secondly, values may become too idealistic due to value expansion (Cha, Edmondson, 2006), and when the expanded value is taken as a benchmark, it is likely that practice is perceived to violate the values. Although idealistic values would by definition mean that they cannot be applied in practice, it is still worth studying whether this is a problem in the studied organisations. Thus, the last proposition regarding the reasons why practice diverges from values is as follows:

Proposition 4i (P4i): *Values and practice diverge because of idealistic values.*

These propositions are presented in Figure 1.13.

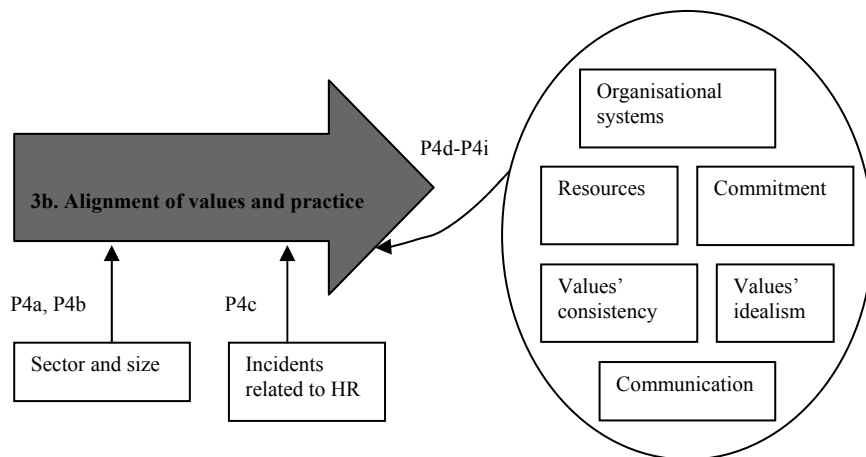


Figure 1.13. Propositions regarding the alignment of values and practices

Source: compiled by the author

The overall research framework of the empirical part is presented in Figure 1.14. The critical aspects are divided into four: individual aspects (involvement, tenure, gender, position of person observed), organisational aspects (stakeholder engagement, sector and size), situational aspects (HR incidents) and intra-organisational aspects (organisational culture and systems, communication, resources, commitment, values' consistency and values' idealism). These aspects relate to particular phases of MBV in the current study, although, in principle, some of them might also affect other phases throughout the process.

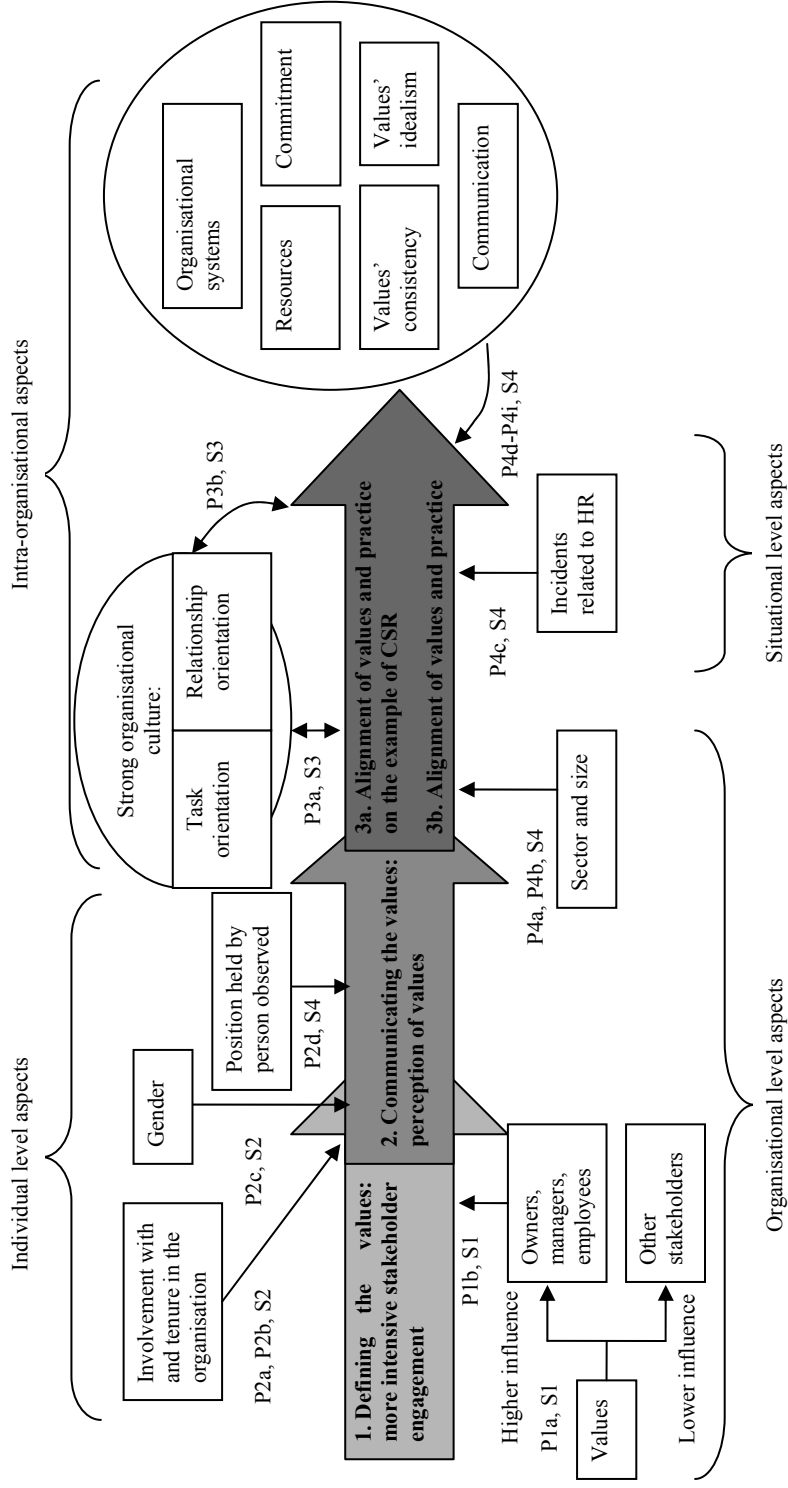


Figure 1.14. Research framework: aspects influencing the process of MBV

Notes: —→ Hypothesised relationships P1a...P4i Research propositions S1–S4 Studies referred to in the thesis

Source: compiled by the author

In this sub-chapter specific aspects for empirical study were laid out. Research questions were posed in the context of the MBV process and several propositions were put forward. In the defining values phase, the propositions dealt with how stakeholders are chosen and how they are engaged in order to answer the question which stakeholders to engage at this phase and how. Propositions relevant to the communication of values dealt with the aspects of the perception of values in order to develop an understanding of the factors that affect this process. From the point of view of the implementation of values it was deemed relevant to study the relationship between CSR and values, and finally several elements were presented that potentially inhibited the manifestation of organisational values in practice. In the next sub-chapter, the research process and the methods used in the empirical studies will be described.

1.4. Research process and methods

In this sub-chapter, the author describes the development of the studies and introduces the methods used in the process. Empirical work relied on the knowledge provided by previous research on organisational values and MBV.

The studies presented in Chapter 2 of the thesis are independent pieces of research that are based on different samples and methods. The outline of the empirical studies is given in Table 1.3.

Study 1 was written most recently, during 2008–2009 to cover the first phase of MBV – defining the values. Initially the study was designed conceptually to provide a literature-based argument for the first research question “*Which stakeholders to engage and how?*”, but following the recommendations of reviewers, an empirical part was added at the end of 2008. Since the aim of Study 1 lends itself to a qualitative approach, only five organisations from the banking sector were contacted and interviews were carried out in four organisations who granted access. There were several reasons why banking organisations were chosen: values statements had been adopted by most banking organisations and some had also claimed to be using MBV. Also, the number of banking organisations in Estonia is relatively small, so studying only a few organisations made it possible to reach conclusions for the whole sector.

Data collection for Study 2 and Study 4 dates back to 2004–2005. In order to answer the second research question “*What affects the perception of values?*” 237 students from various faculties were surveyed to analyse how they perceive the values of the University of Tartu, and what socio-demographic variables explain the differences. The research question needed respondents from a single organisation to minimise the effect of other factors not the subject of the study. The decision in favour of university students was taken mainly because of the number of accessible students. In order to achieve sufficient number of responses outside the university only large organisations would have been appropriate. Moreover, due to the sensitivity of the topic and the respondents’ need for prior instruction, a clinical or dialogical inquiry-type of research was needed, but this

was not realistic at the time. Students also formed an interesting sample for Study 2 because of their different financial arrangements with the university, an aspect that is normally not present in employment relationships.

Table 1.3. Outline of the studies

Studies	Title and aim(s)	Methods	Time	Data
Study 1	“Engagement of Organizational Stakeholders in the Values Formulation Process”. The aim is to offer a model for stakeholder engagement in the process of formulating organisational values statements.	Case study interviews	2008–2009	Four banking organisations in Estonia
Study 2	“Students’ Perceptions about University Values: Some Influencing Factors” The aim is to explore the values of a public university in Estonia, as perceived by its students.	Critical incidents technique	2004–2005	271 critical incidents from the students of the University of Tartu
Study 3	“Organizational Culture and CSR: An Exploratory Study of Estonian Service Organizations” The aim is to analyse whether and how organisational culture determines the variation of CSR practices in Estonian service organisations.	Survey	2007–2008	17 Estonian service organisations
Study 4	“Organizational Values and Organizational Practice: What Makes them Diverge?” The aim is to determine and discuss the factors behind work-related incidents, where the outcomes are not inline with the values of the organisation.	Critical incidents technique	2003–2008	198 critical incidents from various Estonian organisations

Source: compiled by the author

To find the link between values and practices using the example of CSR, the author of the thesis was fortunate to make use of existing data collected by Prof. Maaja Vadi and her colleagues during 2001–2008, so Study 3 was undertaken co-operatively. Organisations that had participated in surveys of organisational culture were contacted in order to obtain data on CSR. Service organisations were focused on because they formed the most important sector in terms of gross domestic product and number of organisations in Estonia. Also, it was service organisations rather than other organisations that were more concerned about CSR-issues in Estonia and had introduced practices corresponding to ethical and philanthropic responsibilities. Out of 36 service organisations approached 17 responded in 2008 and based on this, Study 3 discusses the connection between organisational culture and CSR, considering the specifics of the service sector.

Study 4 was undertaken when the author was teaching classes under the framework of courses in organisational behaviour at the University of Tartu. Students in the Open University, who were studying and working simultaneously, formed an accessible and appropriate sample for studying values initiatives in Estonian organisations with regard to the fourth research question “*Why values and practices diverge?*”. For the purpose of this study it was necessary for respondents to have a good understanding of organisational values and to be able to relate values and business practice. Familiarising respondents on this topic prior to data-collection was deemed necessary and a lecture was delivered; therefore, more analytical responses compared to what ordinary employees would perhaps offer was considered beneficial. The advantage of the student group was also the variety of organisations the information was obtained about to prevent organisation-specific results to occur. Over three years, more than two hundred working BA and MBA students were surveyed in order to answer the fourth research question.

The methods used to study organisational values vary depending on whether the values of interest are conscious or unconscious, espoused or not. When implicit values are studied, the authors have typically developed questionnaires containing particular values and respondents are asked to rate them. For example, Van der Wal and Huberts (2007) developed a list of 20 values with definitions based on content analysis and clustering of texts on administrative and business ethics. Values were rated from 1 (not important) to 10 (very important) by respondents and they included *effectiveness, accountability, collegiality, obedience, profitability* etc. Abbott *et al.* (2005) used a questionnaire of 24 value statements ranked from 1 (strongly disagree) to 7 (strongly agree). The statements touched upon values such as *initiative, creativity, cooperation, formality* etc. Knoppen *et al.* (2006) also use 24-item questionnaires, but the ratings are from 1 (not important at all) to 6 (very important) and the values they ask about are not the same as those used by previous authors: for instance, *emotional spontaneity, generosity* and *humility* are quite unorthodox organisational values.

There are organisational culture questionnaires that are widely in use, for example, the Organisational Culture Profile worked out by O’Reilly *et al.* (1991) containing 54 statements of organisational values to be rated, or the Organisation Culture Assessment Instrument developed by Cameron and Quinn (1999), where 24 statements are rated. In these types of studies it is assumed that shared values are the sum of members’ subjective perceptions about the organisational values. Sackmann (2001) has criticised this assumption, because individual opinions may not form cultural knowledge; an assessment of the required level of intensity and consensus about organisational values is needed to make valid conclusions. Schein (2000, xxvii) is also critical of questionnaires because “... they force researchers to cast their theoretical nets too narrowly; the domain of inquiry is limited“. The author of the current thesis acknowledges that the questionnaires may not reveal a complete set of organisational values – they are more telling about the researcher’s values instead – but they are useful

for finding quantified relationships between items and making comparisons. For these reasons, Study 3 makes use of organisational culture questionnaire developed by Vadi *et al.* (2002).

Alternatively, values on unconscious level are revealed via qualitative methods, for example, through interviews with organisational members. Cha and Edmondson (2006) analyse the transcripts of interviews and observations with employees in an advertising firm and conclude that on their side the shared values were *equality, openness* and *family*. Meyer (1995) asks employees of a community childcare centre to tell a work-related story and finds ten values that arose from employees, including *friendliness, participation in decision-making, consideration, commitment, autonomy* etc. Kramer and Berman (2001) gather critical incidents to elicit university values from real-life situations; Järvensivu (2007) uses stories and observations. In short, the studies on implicit values rely on primary data. The author of the thesis is of the opinion that studies of organisational values need to account for the possibility that organisations are unique and study methods should therefore make it possible to discover this. Hence, qualitative methods should ideally be adopted at some stage in the study on organisational values.

Yet different methods are used to analyse espoused or stated values. Here, Wenstøp and Myrmel (2006) analyse corporate web pages for values, Knoppen *et al.* (2006) add the analysis of cultural artifacts to that. Kabanoff and Daly (2002) make a content analysis of corporate annual reports. In contrast, Järvensivu (2007) asks respondents to express what the values of the organisation are and treats this information as espoused values in his study. However, it is common to not interview or survey when surface level values are addressed, materials published by organisations are deemed sufficient in this instance.

There are three methods used in the studies of the current thesis: case-study interviews (Study 1), critical incidents technique (CIT, Study 2 and 4) and surveys (Study 3), hence only primary data was collected and analysed. The first study is qualitative; CIT is a combination of qualitative and quantitative data analysis; Study 3 is quantitative. Next, a short description of each instrument is given: CIT as the most complicated one is explored last.

In order to answer the first research question conducting semi-structured interviews was considered most appropriate. The empirical part of Study 1 aimed to test the stakeholder engagement concept derived from the literature, and the author thus approached managers with an interview request. The interview questions were prepared in advance to probe the areas of interest to the author (see Appendix 2). Notes from the recorded interviews were taken when subsequently writing Study 1, but computer-aided text analysis was not used.

Study 3 used two separate questionnaires. Organisational Culture Questionnaire was developed by Vadi *et al.* (2002) to analyse orientations in organisational culture. As was shown in sub-chapter 1.1 organisational culture does not stand in isolation from the values and thus, the use of culture questionnaires might be considered as proxies when studying values. The current questionnaire consists of

43 statements using a Likert-type 10-point scale and 16 statements are used to calculate task-orientation (eight statements) and relationship-orientation (eight statements) in the organisation. This questionnaire was completed by organisational members individually, and the higher the average scores in both orientations together the stronger the organisational culture (i.e. the values are shared and strongly held among employees). The second questionnaire to measure CSR was developed in the course of Study 3. The basis of the questionnaire was the survey instrument developed by the Responsible Business Forum in Estonia together with the daily newspaper, *Äripäev*. This questionnaire was lengthy and detailed and with its many open-ended questions suitable for consulting rather than research purposes. The authors of Study 3 shortened and simplified the questionnaire while ensuring its consistency with the CSR concept. The final version contained 21 questions regarding the behaviour of the organisation with respect to having a CSR strategy, meeting the interests of a local community, caring for the environment, developing an employee-friendly working environment and respecting other market participants. The questionnaire was sent to service organisations that had completed the organisational culture survey. In contrast to the organisational culture questionnaire, only one person from the top management team had to answer the CSR questionnaire. Organisations completed the CSR questionnaire in early 2008. In this way, it was possible to relate organisational culture to practices as manifested through CSR. The results of two surveys were analysed in XLSTAT; a Z-test was applied to compare the means and Pearson correlations were calculated.

Study 2 and Study 4 used the CIT method, which relies on a set of procedures to collect, analyse the content and classify observations on human behaviour (Gremier, 2004). The fourth research question “*Why do values and practices diverge?*” needed to be studied using a qualitative method designed for exploratory research. The approach of asking the respondent to tell a story about an experience they had had was deemed most insightful because it has the potential to reveal possible gaps between what is said about organisational values (i.e. how the values are defined) and what actual actions convey to members of the organisation (Kouzes, Posner, 1991; Fountain, 1999). Schein (2004: 17) shows that values often remain hidden until they are challenged. Critical incidents are exactly those events that make values become visible. At first glance, only dramatic internal changes in the organisation or strongly affective external ones make up critical incidents. Yet, it is the regular and often-encountered situations that shape organisational members’ understandings of organisational values rather than rare events.

The original definition of a critical incident is “a situation where the purpose or intent of the act seems fairly clear to the observer and where its consequences are sufficiently definite to leave little doubt concerning its effects” (Flanagan, 1954: 338). As this definition is deemed to apply to extreme events rather than ordinary ones, the current thesis adopts the definition proposed by Bitner *et al.* (1990: 73): “A critical incident is an observable human activity that contributes to or detracts from the general aim of the activity in a significant way”. The method has been used to analyse a variety of phenomena, including personal

and organisational learning, marketing, communication, medicine, education and teaching, job analysis etc. (see Butterfield *et al.*, 2005 for an overview). Values have been studied through critical incidents by Martin and Powers (1991), Meyer (1995), Kramer and Berman (2001), and Arnold (2005). An important feature is that the respondents are not necessarily asked to report on their own behaviour, but rather on the practices and procedures that they perceive to exist in their organisation.

The same principle was applied in the current studies – after a lecture on organisational values the respondents were asked to deliver a written assignment as follows:

- a) *“Describe a specific incident that you have experienced in your organisation that you believe was a good example of the manifestation of organisational values in practice”*, or
- b) *“Describe a specific incident that you have experienced in your organisation that you believe was a practice that breached organisational values”*.

In addition to the critical incident, the students were asked to briefly describe their organisation – size, field of activity and sector for Study 4, and their own characteristics – gender, faculty, and year of enrolment for Study 2. In addition to the critical incidents, the values of the organisation where the incident took place had to be described.

In the next sections, the advantages and setbacks of the CIT considering the context of the current thesis will be discussed. In doing so the author will mainly rely on works by Fountain (1999), Bycio and Allen (2004), and Gremler (2004). An overview of the advantages and disadvantages of CIT is provided in Table 1.4.

Table 1.4. Advantages and disadvantages of CIT

Advantages of CIT	Disadvantages of CIT
Inexpensive and flexible	Results cannot be generalised to whole population
Gives rich and detailed information	Issues related to self-report: memory-loss, reinterpretation etc.
No representative sample needed	Low response rate: respondents need to have time and make an effort to describe situations in sufficient detail
Spontaneous responses	Bias towards unusual or rare events
Results can be analysed both qualitatively and quantitatively	Sensitivity to data collection method
Exploratory and inductive method; no prior hypotheses needed	Validity of data should be established via specific procedures
Cultural neutrality; respondents decide what is important	Difficult to determine the number of appropriate incidents beforehand

Source: compiled by the author

CIT is relatively inexpensive, given that the method has departed from its original form of observing human behaviour by trained experts, now allowing retrospective self-reporting. In both instances, CIT provides rich and specific information. It escapes the limits of ready-made questionnaires and rating procedures, which are typically used in analysing organisational culture and values. Compared to the latter, CIT may provide additional or even different results. In a way, CIT is a multiple case study, with the research question addressed several times. One implication of such an interpretation is that conclusions should be applied to theory rather than to the whole population. As such, CIT does not require that the units of analysis should make up a representative sample of the whole population.

The technique is likely to reveal aspects that immediately come to mind about the respondent's organisation – how the organisation is perceived by the individual. In the context of organisational values, this is a true advantage because one is interested in characterising an organisation via its members' emotional perceptions rather than "objectively". By definition, values cannot exist outside people's minds.

Lastly, the data from critical incidents can be analysed both qualitatively and quantitatively. Qualitative analysis is useful with more complicated incidents, where several and possibly conflicting driving forces are at work. Aspects of organisational culture are indeed often highlighted by controversial stories (Martin, Powers, 1991; Meyer, 1995; Lencioni, 2002; Schein, 2004), and in this context critical incidents might serve as both the essence and an illustration of organisational values. The technique is excellent for exploratory studies because it enables the categories to be determined in the progress of the work and not necessarily prior to data collection.

There are some drawbacks to the technique, however. The flexibility of the method also implies potential errors that both the researcher and reader should be aware of. Fundamentally, the concerns are of two sorts: those related to the respondents and those related to the analytical procedures.

The first problem comes from the types of reported incidents. CIT will rely on events being remembered by respondents. But are the remembered incidents the ones researcher is looking for? Based on the argument above (i.e. what is immediately remembered is the authentic perception of the organisation), they are relevant. CIT assumes that it is up to the respondent to decide what is important (Gremier, 2004). In addition, CIT is sensitive to accurate and truthful reporting of incidents. Besides deliberate bluffing – it is not at all certain that critical incidents when gathered anonymously and without further examination are true reflections of reality – the researcher has to take into account the reinterpretation of incidents or memory lapses. In the current study, the incidents that seemed realistic enough were included in the database; however, it was not possible to crosscheck them. But again, in the context of organisational values, it is less relevant whether the events are factual representations of reality. A person's perception is not assumed to be the "truth", but merely his or

her belief about the distinctive attributes of the organisation (Dutton *et al.*, 1994: 244), and it is the latter that counts.

As CIT is useful only if the information obtained is specific and described in detail, it may be difficult to find respondents who have the time and willingness to participate in the study. Therefore, a low response rate can be expected. To overcome this problem, studies often use several trained research assistants who make contact with potential respondents in different places or over the longer period of time. In the current thesis, this problem was overcome by giving the assignment to students, whose motivation to complete it was high. Of course, being involuntary respondents may negatively affect the quality of data and, indeed, many reported incidents had to be disregarded – for instance, 15% of the incidents collected in Study 4 did not meet the standards and were neglected.

In addition to the above, it is sometimes feared that the technique will emphasise only rare events, and more commonplace incidents will be missed, even though critical does not mean peculiar or unusual events. As noted before, values are shaped via “ordinary” rather than dramatic situations; the soul of organisational life is embedded in micro-events (Griseri, 1998). Hence, if these kinds of incidents are under-represented, this may, indeed, distort the results. Knowing of this potential shortcoming, respondents were informed about the nature of critical incidents and were encouraged to report usual events, the ones that are encountered often.

With regard to the reliability of the results, CIT may suffer from sensitivity to the data collection method. Questionnaires versus interviews may provide different types of incidents reported. In this study, all data were gathered through identical instructions, but the author admits that the general emotional predisposition and level of fatigue varied from group to group, and this may have had an impact on the results.

Turning to the analysis procedure, serious consideration should be given to the validity of the results obtained using CIT. The raw data should always be classified into a specific and relatively small number of categories in order to reach meaningful conclusions. If the categories are not defined before obtaining the data, as in Study 2, for instance, the interpretation of incidents may suffer from face validity of the categories and their construct validity. In case computer-aided content analysis is applied using in-built dictionaries, the problem is easily overcome since coding rules are applied in the same way. However, computer categorisation ignores context-sensitive events. Of course, the amount of data largely dictates whether computer help is needed. Fountain (1999) proposes that even 600 incidents should be worked with at a raw level; the current analysis involved approximately 200 incidents in both studies. When manual categorisation is conducted, the problem of validity is usually addressed by several experts inter-judging a sample of the data and comparing the results. In Study 2 there were no pre-defined categories and the author only had to decide whether the reported incident was positive or negative and which organisational value it concerned. In Study 4, the categories were pre-defined

according to MBV literature and two authors independently read the reports and coded the responses.

Regardless of the use of computer-aided or manual classification, the decision should be made whether a unit of analysis (one respondent or one incident) is allowed to have single or multiple coding. In Studies 2 and 4, every student was asked to provide one incident. However, some chose to report several incidents related to different values. This then accounted for the multiple coding. Finally, there is no good benchmark for the correct number of incidents: how many of them are needed to uncover all the important categories of behaviour? It has been suggested that in the simplest analysis, the number of incidents should be between fifty and a hundred. The number of incidents in the studies here is approximately two times the conservative requirement.

The quantitative analysis of incidents involved finding phi-correlations between the variables. The level of significance was 5% in Study 2, and 1% in Study 4. The data analysis and statistical software STATA was used in both studies.

This sub-chapter aimed to provide an overview of the research process of four studies presented in Chapter 2. The aims, the time of conduct and samples of the studies were briefly introduced and the three methods were described more comprehensively. In general, Chapter 1 constituted the theoretical framework and methodological introduction for the subsequent empirical studies. The MBV concept was introduced and the influencing aspects relevant in this process were mapped. In different phases of MBV there are individual, intra-organisational, situational and organisational aspects that will be analysed in the empirical chapter using the example of Estonian organisations.

2. EMPIRICAL STUDIES

3. DISCUSSION OF RESULTS AND CONCLUSIONS

3.1. Empirical findings

The studies presented in this thesis aimed to answer four research questions that are relevant in the process of MBV. The current sub-chapter provides an overview of the results obtained in the studies, followed by a more profound discussion and implications in sub-chapter 3.2. Thereafter, the conclusions and theoretical contribution is presented in sub-chapter 3.3 and limitations and suggestions for further research in sub-chapter 3.4.

When presenting the results of the propositions in the study, the author shall use three forms for each research proposition: supported, partly supported and not supported. In some cases, the categorisation of results was based on the author's subjective assessment rather than a clear-cut criterion. Partly supported propositions typically involved additional aspects that were not explicitly addressed, but nevertheless came out of the study. Alternatively, the proposition was deemed partly supported when it was formulated far more broadly compared to elements of the broader statement that were confirmed.

The first research question – *“Which stakeholders to engage in defining organisational values and how?”* – comprised two propositions. It was hypothesised in P1a that the stakeholders that would be most affected by the (yet undefined) values are the owners, managers and employees of the organisation. The results of Study 1 showed that this holds in general, but there are also nuances in these relationships. In particular, it appeared that the owners cannot be treated as a homogenous stakeholder group – at least the strategic and financial owners should be distinguished. MBV literature pays no heed to the multifaceted relationship between the owners and the organisation. Nevertheless, when it comes to values, different types of owners may have a dramatically different role. For example, the influence of the potential content of values is far greater for strategic owners, who may have an emotional connection to the organisation or have largely formed their self-identity based on it. The empirical evidence of Study 1 further revealed that some respondents deemed strategic owners a less affected stakeholder group, compared to employees and managers, and thus, the proposition was found to be partly supported.

Proposition P1b suggested that those stakeholders who are potentially more affected by the values are engaged more intensively – using consultation and partnership in the process of defining the values. The results of Study 1 supported this principle, but showed that partnership, i.e. making co-decisions is rarely used, especially when it comes to engaging employees. It was concluded that engagement practices were limited to consultative activities. The summary of the results is presented in Table 3.1.

Table 3.1. Results of study propositions about stakeholder engagement

RQ1: Which stakeholders should be engaged in defining organisational values and how?	Result
<i>P1a:</i> The stakeholders most affected by the (yet undefined) values are owners, managers and employees of the organisation.	Partly supported
<i>P1b:</i> The stakeholders more affected by the (yet undefined) values, i.e. owners, managers and employees are engaged more intensively (using consultation and partnership) in the process of defining the values.	Partly supported

Source: compiled by the author

The second research question – “*What affects the perception of values?*” – was addressed using four propositions. Proposition P2a put forward that the perception of organisational values is affected by the respondent’s involvement with the organisation. Since the sample of Study 2 consisted of university students, involvement was defined as the student’s financial relationship with the university: those who pay for their studies were deemed more involved. It appeared that students who paid for their studies perceived two university values differently from other students – the *quality of education* and *concern for students*. In regard to the latter value, the difference could not be accounted for by the respondent’s demographics alone. There was no difference with respect to the remaining values and therefore, P2a was partly confirmed.

Proposition P2b suggested that tenure in the organisation affects the perception of values. Tenure was split into two categories in Study 2: first or second year students and students who have studied more than two years, but there was a limit to it as only bachelor students were studied. However, no significant effect was present with regard to study time and thus, Study 2 did not support the hypothesis P2b that tenure affects the perception of values.

According to proposition P2c, gender would have an effect on the perception of values. This proposition was partly supported because it appeared that male students were more critical about the value *innovation and development* for the university. When male students described an incident that was related to this value, they were more likely to report something that was a contrary example of *innovativeness*. However, as this was the only value among five that showed any difference, this again resulted in only partial support for the proposition.

Moving away from the university context, P2d hypothesised that the perception of values not only depends on the respondent’s characteristics, but also on the characteristics of the person s/he observes having a leading role in the critical incident. In particular, it was suggested that organisational position held by the person observed has an influence on what values are perceived important in the organisation. Study 4 provides grounds for the assumption that there is similarity between managerial and organisational values. Those in a managerial position clearly played a role in the more positive perception of values. According to the results, if the incident was handled by the manager, the

values of the organisation were likely deemed to be supported by the observer. It is emphasised, though, that it is not only the position that makes this difference, but certain rights along with the position that account for this result. A summary of these results is presented in Table 3.2.

Table 3.2. Results of study propositions about the perception of organisational values

RQ2: What affects the perception of organisational values?	Result
P2a: Perception of organisational values is affected by the respondent's involvement with the organisation	Partly supported
P2b: Perception of organisational values is affected by the respondent's tenure in the organisation	Not supported
P2c: Perception of organisational values is affected by the respondent's gender.	Partly supported
P2d: Perception of the relevant values depends on the organisational position held by the person observed	Supported

Source: compiled by the author

The third research question – “*How are values and practices (using the example of CSR) related?*” – was tested on the basis of Estonian service organisations. In P3a it was hypothesised that in organisations with a higher degree of CSR there is a stronger organisational culture compared to organisations with a lower degree of CSR. Unfortunately, no statistically significant differences were obtained, which could be due to the small sample. In Study 3 the variations were as expected, but these were not significant enough to confirm P3a. In regard to P3b, which stated that in organisations with a higher degree of CSR, relationship orientation is more appraised compared to organisations with a lower degree of CSR, the hypothesis could be rejected. In a sample of 17 organisations, there was no evidence that relationship orientation dominated over task orientation in organisations with a higher level of CSR. The results are presented in Table 3.3.

Table 3.3. Results of study propositions about the relationships between organisational culture and CSR

RQ3: How are values and practices (using the example of CSR) related?	Result
P3a: In organisations with a higher degree of CSR there is a stronger organisational culture compared to organisations with a lower degree of CSR.	Not supported
P3b: In organisations with a higher degree of CSR, relationship orientation is more appraised compared to organisations with a lower degree of CSR.	Not supported

Source: compiled by the author

Finally, the fourth research question dealt with the alignment of values and practices and aimed to find out why these two diverge. From the literature, several propositions were derived. According to P4a it was expected that values and practices diverge similarly in the public and private sectors. This was not confirmed by Study 4, since in public sector organisations, the divergence was reported significantly more often. However, the paper argues that this result should be interpreted carefully because it is not the sector that is the underlying reason for the divergence, but rather the types of incidents characteristic to the public sector. P4b suggested that values and practices diverge more likely in large organisations. This was not supported by the data in Study 4, although this relationship showed the expected direction.

The next proposition, P4c, maintained that incidents related to human resources are most vulnerable to being handled in line with values compared to other types of incidents. This was supported by Study 4. Indeed, critical incidents that were reported to have value-breaching results were likely to deal with HR issues. Partial solutions, where some values were followed and others violated at the same time, were more characteristic to incidents related to quality of production or service.

There were several reasons synthesised from the literature to further explain the divergence of organisational practices and values. P4d put forward that a lack of resources makes practice differ from the values. This proposition was confirmed using the background of incidents that found a values-aligned solution – these outcomes were attained due to extra resources that were allocated to solve the incident according to the values. P4e and P4f hypothesised that values and practices diverge because of a lack of communication and a lack of commitment, respectively. The first proposition was not confirmed, a lack of communication could not explain the gap between practices and values, nor was communication explicitly present in values-aligned incidents. The role of commitment emerged only in cases where values were in conflict with each other. Then commitment to all values made it possible to avoid partial outcomes of the values related incidents.

Strong support was given to proposition P4g, which stated that values and practices diverge because internal organisational systems fail to support the values. Mis-specification of performance management systems (in terms of values) was indeed the main cause for values-breaching outcomes, but it also explained partial solutions. Similarly, proposition P4h found support, suggesting that values and practices diverge because of inconsistent values. In this case, the divergence was partial rather than complete. Finally, it was put forward by proposition P4i that idealistic values explain the divergence of values and practices. Here, the proposition was also supported, although there were only ten incidents where this factor was evident. The summary of the results regarding research question 4 is presented in Table 3.4.

Table 3.4. Results of study hypotheses about the reasons for the divergence of organisational values and practice

RQ4: Why values and practices diverge?	Result
P4a: Values and practices diverge similarly in the public and private sector	Not supported
P4b: Values and practices are more likely to diverge in large organisations	Not supported
P4c: Values and practices are more likely to diverge in incidents related to human resources compared to other types of incidents	Supported
P4d: Values and practices diverge because of a lack of resources	Supported
P4e: Values and practices diverge because of a lack of communication	Not supported
P4f: Values and practices diverge because of a lack of commitment	Partly supported
P4g: Values and practices diverge because of internal organisational systems failing to support the values	Supported
P4h: Values and practices diverge because of inconsistent values	Supported
P4i: Values and practices diverge because of idealistic values	Supported

Source: compiled by the author

In conclusion, the four studies comprised 17 propositions: six of them found full support, six could be rejected and five were supported partially. Propositions generated to answer the research question that dealt with values and CSR did not find statistical support for hypothesised relationships. Other research questions revealed some aspects that were in concordance with the previous literature.

3.2. Discussion of results and implications for managers

This sub-chapter will discuss the results of the theoretical and empirical results presented in the thesis and the implications for managers will be derived. The outline of the discussion follows the research framework presented in Figure 1.14 and a general-to-specific approach is taken. Thus, organisational and situational aspects affecting the process of MBV open the discussion, these are followed by intra-organisational aspects, and finally, individual aspects conclude the discussion. The sub-chapter ends with specific suggestions for managers.

Organisational and situational aspects affecting MBV

Although Rokeach (1973) defined only 18 instrumental values, he admitted that there is no certain limit to the number of them and this holds for organisations just as for individuals. The choice among values is not a trivial task, because the content of an effective values statement has to meet several conditions including internal and external consistency, dynamic consistency, area or regulation and

so on (see sub-chapters 1.1 and 1.2). It is suggested in this thesis that managers should not tackle this problem alone, since there are several relevant stakeholders that deserve to be engaged and they add value to the process and the outcome.

It was found that in general there are five stakeholder groups that should be engaged in some form: owners, managers, employees, customers and strategic partners. Stakeholder engagement was divided into three distinct levels – information dissemination, consultation and partnership, whereas the level of engagement is dependent upon the influence that the values have on certain stakeholders. Information dissemination denotes one-way communication, usually top-down; consultation means opinion-seeking and being heard; partnership as the most intensive form of engagement means that decisions are taken jointly.

Since the owners and managers are most affected by the existence of a values statement, adopting a values statement should be their initiative and decision, but prior consultation with employees would benefit all parties. The content of the values statement has the highest impact on strategic owners and internal stakeholders, and therefore, they should have the right and responsibility to decide about this. Here, key employees should have equal decision-making power with the managers and strategic owners. Before formulating the statement, consultation with long-term customers and strategic partners is advisable.

The result of the thesis implies that while the influence of the values on stakeholders and their engagement practices go hand in hand as suggested by Lewis *et al.* (2001), the whole analysis in practice boils down to a “yes”/ “no” decision. If the stakeholders are found to be influenced by the values, their engagement is undertaken (or efforts made in this direction). For instance, some employees, called opinion-leaders, are engaged in the early phases of the formulation process together with the management. Yet, this engagement only means consultation, and more intensive forms like partnership are rare. This result is similar to previous findings about employee participation in general – Kallaste and Jaakson (2005) interviewed the managers in eight Estonian organisations and concluded that while consultation on various issues was widely practiced, partnership was not an accepted form of engagement, especially on strategic questions. However, managers who define the values of the organisation together with organisational stakeholders might acknowledge that the influence of values is a complex issue; they matter more for some stakeholders and less for others and engagement should ideally reflect this difference.

Besides stakeholder engagement, the influence of sector as an organisational aspect was looked at. It was suggested that public and private sector organisations do not differ in the pursuit of MBV. This proposition was not supported as public sector organisations more frequently failed to demonstrate the values in their practices. But the results indicated that public sector organisations were characterised by different types of critical incidents, too. Specifically, a majority of HR incidents were reported in the context of public sector organisations and

as these incidents were characterised by a higher probability of a value-breaching outcome, it is rather the type of incident than the sector that explains the divergence. Such elaboration is also supported by some other studies. Boyne (2002), who conducted a meta-study, found some support for the hypothesis that there is lower managerial autonomy, especially with personnel issues, in the public sector: punitive actions are rarely taken because there are complex procedures for these and it takes a lot of time to pursue them. Knoppen *et al.* (2006) combined the analysis of web-pages and interviews and showed that public sector organisations in Spain demonstrated the highest congruency in well-being values. The authors concluded that HR policies in the public sector were well developed and shared among employees at all levels of the organisation.

Thus, employee protective HR-policies are the guiding principles in the public sector and that means that MBV in the public sector has some special features. If in business organisations values are normally determined first and organisational systems are designed accordingly, then the public sector has less flexibility to change its internal systems and HR policies in particular for legal and/or cultural reasons. Therefore, when implementing MBV in the public sector, HR systems should be thoroughly analysed prior to defining the values in order to establish what values can be backed up in the first place. The traditional view of the order of MBV phases is then questionable. Organisations with rigid internal systems can still adopt MBV, but instead of defining the values such organisations have to assume first that there is an alignment of values and unchangeable practices. Values would be defined based on these systems – in other words, practice precedes definition. The later phase that prescribes that practices should be aligned with the values applies only for those practices that the organisation is capable of changing.

This finding may even be broadened to all organisations in the sense that it is not the managers with or without other stakeholders who define the values, but rather the existing practices in the organisation. Schein (2000: xxix) writes: “Articulating new visions and new values is a waste of time if these are not calibrated against existing assumptions and values. [...] It is easier to evolve the culture than to change it.” What is expressed here is exactly the idea that defining the values is not really the first step in MBV, the values statement should be preceded by thorough analysis of current organisational practices that stakeholders are happy with and reluctant to change. Assumptions that have shaped these practices should be distilled and defined for a values statement. It follows that MBV is not a change management concept, but rather a way to develop and strengthen the organisation by capitalising on its existing resources as was put forward by Barney (1986).

Another organisational variable, the size of the organisation, did not significantly affect MBV. There was no confirmation of the proposition that large organisations diverge from values more likely in practices. Correlations had an expected sign, but differences were insignificant. This may stem from the fact that even if large organisations may have more problems with the

alignment of its practices, they take a more systematic approach to MBV and the two sides offset each other.

There might be other organisational aspects that are relevant for the implementation of MBV, for instance, ownership structure or age of the organisation. However, existing literature is too scarce to come up with any proposition on these relationships and thus, selected aspects included sector, size and relevant stakeholders only. It appeared that one situational aspect was highly relevant for MBV when combined with the sector variable.

Intra-organisational aspects affecting MBV

Intra-organisational aspects deal with organisation specific features: the organisation's values, resources, internal systems, etc. The theoretical part of the thesis proposed that values that are brought to the conscious level – defined or agreed upon – should deal with the regulation of means rather than ends. This is not to say that organisational objectives (i.e. the ends) do not deserve attention. On the contrary, these are extremely important, but these are subject to different strategic management elements like the mission and vision. MBV is a management concept that proposes the way to achieve these ends, but it does not itself determine what is to be achieved.

The means that values are supposed to regulate may be divided into behaviour and character. Literature suggests that behavioural values are inferior because they tend to outdate quicker and do not take account of the complexity of organisational life. Instead, members in the organisation should demonstrate the attitude or character that leads to certain behaviour. This finding highlights the difference between values statements and codes of conduct, although the latter is quite often the subject of MBV literature (e.g. Fitzgerald, Desjardins, 2004; Patten, 2004; Wenstøp, Myrmel, 2006). However, Kaptein and Schwartz (2008) rightly point out that business codes with formal prescriptions for behaviour may or may not reflect the intended values.

It was also shown in sub-chapter 1.2 that the dimensions of organisational values are a reflection of CSR. Hence, there are three dimensions that different values fall into: the survival, ethical and well-being dimensions. Previous studies suggest that values statements are more effective when they deal with ethicality and well-being because they trigger employee commitment and the attractiveness of the organisation to outsiders (Abbott *et al.*, 2005). The study by Wenstøp and Myrmel (2006) confirms this as they found that the top three values espoused in both American and Norwegian companies were *honesty*, *respect* and *integrity* – all belonging to the ethical dimension.

In this thesis, the relationship between values and practice using the example of CSR was empirically explored among Estonian service organisations. It was expected that CSR and the strength of organisational culture would be positively related. The relationship was indeed positive, but not statistically significant. Thus, it cannot be said that Estonian service organisations with a stronger culture demonstrate a higher level of CSR. Given the conceptual argumentation that organisational values and CSR are in principle identical

phenomena albeit looked at from different angles, the empirical result casts some doubt on the construct validity of the CSR questionnaire that was used in Study 3; alternatively, the focus of the organisational culture questionnaire (relationship and task orientation) may not be the best instrument for reflecting CSR.

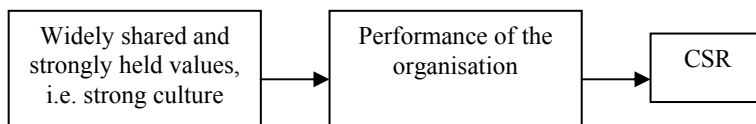
The second proposition dealt with relationship orientation specifically, and it was hypothesised that in organisations with a higher level of CSR one would witness the dominance of relationship orientation over task orientation. The results, however, did not confirm this. It was characteristic for service organisations to be relationship oriented regardless of the level of CSR, and this result is supported by the study by Reino (2009), who found that service organisations were more characterised by a Human Relations type of culture compared to other sectors. That validates the organisational culture questionnaire used in Study 3. At the same time the highest performers of CSR also showed a dominance or equal importance of task orientation, which contradicts the proposition. However, what could be said about relationship orientation in service organisations was that they were more strongly correlated with overall CSR as well as its individual elements.

This led to conjecture that in service organisations, relationship orientation is not focused merely internally, but also involves external stakeholders. Further, as relationship orientation covers multiple stakeholders, it supports organisational task aimed at serving the customer. Indeed, in the sample of Estonian service organisations, the positive correlation between task and relationship orientation was remarkable. This was also found by Gittell (2002), who shows that strong relationships between market stakeholders results in customer satisfaction and loyalty in services – an external relationship-orientation is a means to an end. These results confirm Schneider's (2000) assertion that in the service context there is a shared psychological life for parties to an organisation, not just the members of the organisation.

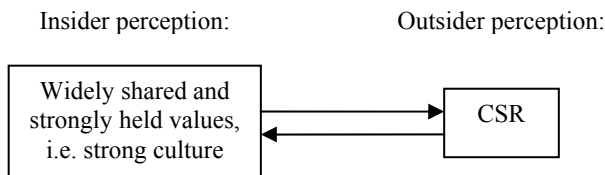
The theoretical contribution regarding the relationship between values and CSR lies in the service specific context. It is argued that the performance of the organisation might be the third factor between CSR and a strong culture, and it is especially appropriate in the context of transition countries, where the majority of organisations have only been operating for a short while. Only when the organisation has reached a sustainable position, does it start paying attention to issues that do not only deal with economic responsibilities. Performance, in turn may be triggered by a strong culture and clear values (Peters, Waterman, 1982; Denison, 1990; Collins, Porras, 1994, Sørensen, 2002). This relationship is presented in Figure 3.1a.

A more service-specific explanation to the linkage of values and CSR is based on social identity theory put forth by Ashforth and Mael (1989). According to this theory, insider perception of the organisation is affected by outsider perception and *vice versa* due to frequent socialisation and direct contact between the employees and customers. In services, outsiders have an opportunity to experience the culture and values of the organisation and their

feedback affects employee self-image and the creation of organisational identity. This has also been found before. For example, Reino (2009) finds that the Human Relations type of organisational culture with values such as *trust*, *close relationships* and *team spirit* was strongly correlated with an Open System type of culture that embeds *innovativeness*, *initiative* and *commitment*, the latter being characteristic of successful service organisations. Brown (2001) demonstrated through a multiple case study that service providers themselves (i.e. employees) and service users were extremely congruent in their perceptions of the relevant organisational values. Moreover, the values described from both sides characterised well the quality and quantity of actual activities undertaken. Similarly, Christensen and Cheney (2000) turn attention to the fact that in the service sector – for example, the banking, insurance and airline industry – there are many examples where messages to employees are conveyed via external media, so communication makes no distinction between insiders and outsiders. In this context, CSR is both the facilitator and an outcome of the values in the organisation (see Figure 3.1b for an illustration).



a) causal model incorporating a mediated relationship between values and CSR



b) reciprocal causal model between values and CSR

Figure 3.1. Possible relationships between values in organisations and CSR

Source: compiled by the author

Strong support was found for the critical role of resources in the process of MBV. In particular, there was overwhelming evidence that the key to putting values into practice is to allocate extra resources in support of the values. This result was interrelated with managerial involvement in the incident, and it is concluded that managers have monopolised decisions over resources and this very asymmetry makes employees worse off in terms of delivering the values in practice. Consequently, if organisational values are to be followed at all levels of the organisation instead of being the management’s discretionary policy, then

employees should be authorised to use the resources to support the values. In MBV literature, the need for employee empowerment is sometimes stressed (Speculand, Chaudhary, 2008), but in the author's opinion, the invitation remains rather abstract, whereas the practical consequences of it have not been studied at all. Furthermore, it might be asked, whether investment of a similar amount of resources to some other area (e.g. product development or employees' training) would improve organisational performance even more than investing in management. The author of the current thesis maintains that MBV may well have a positive effect on the performance of the organisation, but perhaps it requires more time and effort than the proponents of the concept have admitted.

Commitment and communication, as the next intra-organisational aspects, had surprisingly little explanatory power in the failures of MBV. There were only a few instances where practices diverged from values because the values had not been communicated well. Commitment was present in both value-aligned and value-breaching incidents, but rarely was it the sole factor that led to the outcome. More often than not, value-breaching practices were due to organisational systems that did not support the values. As noted in the theoretical part of the thesis, an appropriate performance management system is indeed the most challenging issue in the alignment of values and practices. It could be that systems are relatively rigid (as in the case of HR policies in the public sector) or that it is difficult or even impossible to design them according to values, which highlights theoretical considerations about values implementation. Also, it is not ruled out that values are often mere publicity with no intention of them actually being implemented, and the organisations are deliberately avoiding any enforcement of the values through internal systems. Should this be the case, it is difficult to imagine any positive outcome for the organisation, especially in the long term, and MBV literature bars managers from adopting values for public relations purposes (Collins, Porras, 1996; Lencioni, 2002).

It was also confirmed that values and practices diverge because of internal inconsistency and embedded idealism in values. The remedy for inconsistent values lies partly in communication as posited by several authors (Cennamo, Gardner, 2008; Mowles, 2008): discussing the value priorities and collectively making sense of the values should reveal which value to neglect. However, even if no conflict is visible in the values statement, it does not mean the conflict is necessarily forestalled. No one can predict the full complexity of issues that may arise in organisational operations where the situational context affects the meaning and potential outcome of the values. Here, it would be useful to revive the organisational memory to map typical situations of contrast that have occurred in the past and make value choices according to them.

Idealistic values imply that the espoused organisational values were sometimes intermingled with the chosen strategy. In a stable environment, the values did help to run the every day business, but such values are bound to be short-lived. This result emphasises the relevance of issues related to the dynamic

consistency of values on the one hand and the role of values in the public relations domain on the other hand. In a situation where values are defined by the organisation's current operations, it is relatively easy to change strategy even though the values may be violated. This is the case where values score low in idealism initially, but the employees might still feel that the values are breached when the new strategy is adopted, and it might be said that the idea of MBV to increase organisational consistency is not exploited here.

The example of the other extreme is that values are so idealistic that they have little to do with the actual strategies of the organisation – that would be the case of the image building and identity games described by Christensen and Cheney (2000). In this instance, the violation of values takes place regularly and again, the idea of MBV where values are supposed to guide decision-making is derogated. Therefore, it seems that an optimal level of idealism exists for values in successful MBV initiatives. Obviously, the level may be higher for some organisations and lower for others, and it is for the latter contingency that Griseri (1995) recommends assessing the limitations and exact responsibilities of the organisation with regard to the application of particular value.

Individual level aspects affecting MBV

MBV sets out to influence individuals, but they are treated as a homogenous set of manipulative subjects in the MBV literature. It has been shown that communication is an integral part of the whole MBV process and is embedded in everything that goes on in the organisation, but the literature on communication and MBV is skewed toward the sender. "Instead of starting with the sender and his or her purpose or message, we should start with the receiver and what the receiver needs or wants to know" (Kelly, 2000: 94). This is especially relevant knowing that the interpretation of values affected by individual characteristics plays a crucial part in the success of MBV. It has been noticed that people differ in the ways they perceive organisational values (Elias, 2004; Urbany, 2005; Mattila, 2007) and this thesis analysed some regularities as well. In particular, tenure and involvement with the organisation, gender and position held by the person observed was examined.

In contrast to some earlier findings (Bocchino *et al.*, 2003; Elias, 2004; Reino, 2009) there were no differences in the perception of values based on tenure, when analysed on the basis of the student sample from one university. This may be due to the fact that the duration of bachelor studies is too short to distinguish between tenure groups. For example, in Reino's study (2009), tenure was a significant predictor of perceptions of organisational culture, but in the case of her sample, the tenure varied from one month to 48 years; similarly, Bocchino *et al.* (2003) had data about employees, some of whom had been more than 20 years in their current jobs. Therefore, studies with student samples would benefit most in the future if master and doctoral students were added. Kramer and Berman (2001) who analysed stories told by students concluded that newcomers tend to identify with the dominant university culture, but the variation of identification increases over time as sub-cultures that may and may

not support the dominant culture become prevalent. That would predict that longer-tenure students might report different values from newcomers, but this potential difference was not captured by the current study.

Nevertheless, the result that shorter and longer tenure students did not differ in their perception of values is a positive one for the university. If younger students differed significantly from their older colleagues, it would be a sign that the university has created an image that is not compatible with the reality once encountered. Also, if the older students were significantly more positive about the values, it would mean that longer affiliation generates a higher acceptance of values and stronger identification. While this is common in business, it may not be good for universities because academic organisations should be externally oriented, open to dialogue and dynamic (Cameron, Freeman, 1991; Froman, 1999). Positive assessments from only those who have had lengthy service in the organisation would refer to an internal orientation and self-absorption instead. This is what Reino (2009) found based on public and private Estonian organisations – more experienced members give lower estimates to an Open System type of culture – and this pattern would not be favourable to universities' operations.

Involvement with an organisation was hypothesised to have an effect on the perception of values, and this was partly confirmed. In accordance with earlier studies (Urbany, 2005), higher involvement resulted in a more positive attitude towards the organisation. However, it should be noted that involvement was given a very specific meaning in the university context – whether students pay for their studies or are state-financed. In the former case the involvement was deemed to be higher, even though many of those students do not attend university on a daily basis, but have intensive 4-day study sessions once a month. Students who paid for their studies were significantly more positive about the value *concern for students*. Unfortunately, this result may only confirm the different arrangements created for students in the Open University. These students do receive more personal attention and administrative support and as a result it manifests in their perception of that particular value.

Still, it also appeared that more involved students were slightly more positive about the value *quality of education*. This may indicate that self-financing increases the acceptance of the values due to decision justification or post-purchase rationalisation (Connelly, Zeelenberg, 2002). Alternatively, the explanation may be rooted in social exchange theory (Homans, 1958) according to which costs and benefits of the interaction with other actors (in this case, the university) should be in balance for the individual. For instance, when rewards are externally increased by the organisation, individuals are prepared to bear higher costs – devote more time, effort or money to interact with it. Conversely, if costs are increased, individuals would either increase the rewards or choose to leave the relationship. In the university context, freshman ceremonies partly exploit the same psychological process: the more a freshman suffers, i.e. the higher the costs, the more value s/he places on the membership in university community, which means that the perceived rewards of being a student

increase. This interpretation – treating organisational values as a psychological benefit – would be meaningful for the further development of MBV and should be tested. The case study results by Mattila (2007: 117) would support this hypothesis: if the company did not assist their employees with official values, the employees made their own.

It was also found that gender partly affects the perception of values. While previous literature gave grounds for expecting that males are generally more critical towards the organisation, this was only partly true in the university context. In particular, male students were more critical about the value *innovation and development* being followed in practice. This indicates that men are more apt to criticise and possibly more demanding about novel solutions and innovativeness. When this is the value of the organisation, it is rather the male employees who rigorously monitor its actual implementation and perhaps even expand the value to the unintended spheres of business.

The final individual level factor affecting the perception of values was the organisational position held by the person observed. It was found that employees perceive that relevant values of the organisation are followed when the manager is within sight to handle a critical incident, which corresponds to the results of Cha's (2004) experimental study. In her study respondents also had a story to evaluate in light of organisational values, but the difference from CIT was that the story itself was provided by the study author, not by the respondent. This is both good and bad news for the managers. On the positive side it looks as if hypocrisy attribution is not a widespread phenomenon in Estonian organisations. Managers do not need to spend much time justifying their actions and decisions, since the connection between the act and the values is drawn by the employees themselves.

On the negative side, the result also implies that MBV is most successful in terms of gaining acceptance to relevant values when managers are constantly hands on to solve all kinds of problems that occur in the organisation. This is contrary to the idea of MBV, according to which the agreed values should guide the behaviour of managers and employees similarly. This statement is closely related to some of the intra-organisational level aspects, especially resources, discussed above. The summary of influencing aspects is presented in Figure 3.2 and the above discussed aspects are formulated more generally in order to make them valid for any organisation introducing MBV.

The aspects influencing MBV are manifold and they are also themselves inter-related. For instance, aligning values and practices was found to be influenced by organisational culture as well as by the existence and availability of resources to employees, but it is evident that in a given organisation its culture and employee empowerment are not independent of each other. Figure 3.2 attempts to capture the complexity of MBV by depicting the relationships that came out of the theoretical elaborations and empirical studies presented in the thesis.

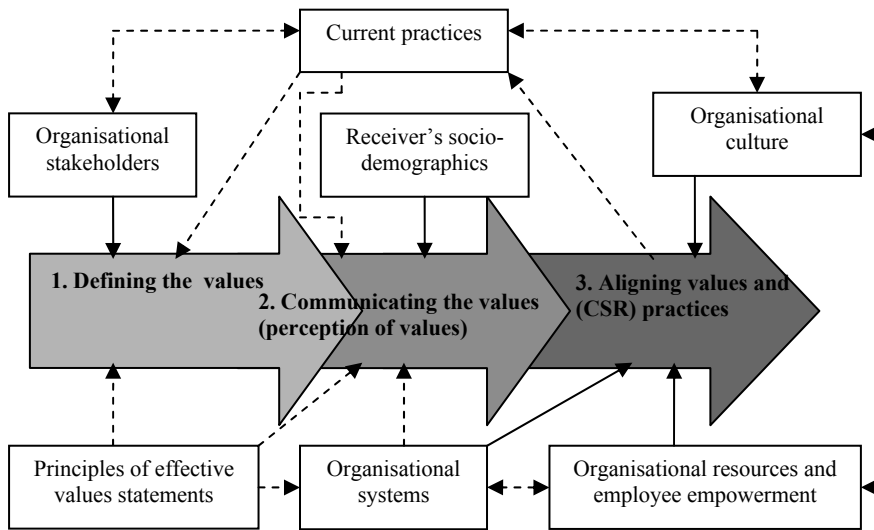


Figure 3.2. The studied aspects influencing MBV

Note: Full arrows denote empirically studied relationships and dashed arrows denote theoretically elaborated relationships between phenomena.

Source: compiled by the author

Studying critical incidents enabled to discover that instead of individual aspects the combination of these influenced MBV in many occasions. The examples here are the influence of the sector and the influence of manager’s presence in the incident. As it turned out, public sector was more characterised by the divergence of values and practices, but the sector also reported incidents related to HR more frequently. Similarly, while manager’s role in the incident seemed to have values-aligning impact on the practice, the other side of the coin was that practice was shaped by the allocation of resources and only managers were authorised for it. Thus, CIT provided some valuable insights about the salient aspects in the context of MBV and author of the thesis believes that the method deserves more widespread application in the future studies. Hajro (2009: 38) claims that sense-making, content analysis, in-depth case studies etc. are under-represented in the research on organisational culture. Specifically, she mentions the usefulness of CIT for studying individual’s adaptation or resistance to particular behaviour in the context or mergers and acquisitions. The author of the thesis agrees to this, but also acknowledges the potential of CIT for the research on organisational culture and management in general.

Implications for managers

Based on the above discussion several implications can be drawn and these will be organised according to organisational, intra-organisational and individual

level aspects presented in the research framework. The implications will be summarised in Table 3.5.

Table 3.5. Summary of the managerial implications

Result	Chapter/ Study	Implication
The phases of MBV are interdependent.	Ch. 1.1	Implement MBV in an integral manner, not phase by phase.
Effective values statement regulates the means rather than ends.	Ch. 1.2	Define the values that would give an answer to <i>how</i> organisational objectives are expected to be achieved.
Effective values statement expresses core values, i.e. the character of the organisation forming the culture.	Ch. 1.2	Consider the desired attitudes in the organisation and phrase the values in terms of character rather than prescribing behaviour.
Ethical and well-being values are more appropriate for a values statement compared to survival values.	Ch. 1.2	Adopt ethical and well-being values rather than survival values for a values statement.
Organisational stakeholders may vary depending on organisation.	Study 1	Conduct stakeholder mapping according to the specifics of the organisation.
Values affect different stakeholders differently.	Study 1	Assess the influence of values on the stakeholders.
Stakeholder engagement in decision-making and the effect of the decision on the stakeholder are in balance.	Study 1	Engage stakeholders who are most influenced by the values via partnership decision-making in the values formulation.
Perception of values is more positive in the case of higher involvement with the organisation stemming from the respondent's own contribution.	Study 2	To facilitate the acceptance of values, find opportunities to increase stakeholder involvement via them contributing time, effort, money, etc. to the organisation.
Males are more critical about how the value <i>innovation and development</i> is followed in practice.	Study 2	If <i>innovation</i> is part of MBV, turn extra attention to the communication of the values and the mechanisms enabling it to be realised.
Relationship orientation extends to external stakeholders in services.	Study 3	Create relationship-oriented culture for higher CSR (in the service organisation).
Organisational practice diverges from values due to internal systems not supporting the them.	Study 4	Make sure that the defined values are supported by the internal systems. If you cannot change the system, define values according them; if you can, design the system according to desired values.

Result	Chapter/ Study	Implication
Organisational practice diverges from values due to inconsistent values.	Study 4	Check for possible internal inconsistencies of the values and find ways to eliminate them.
Organisational practice diverges from values due to idealistic values.	Study 4	Analyse the concordance of the values with current, but also with potentially beneficial strategies in the future.
A change in strategy is perceived as value-breaching.	Study 4	Explain the importance and meaning of values in the context of the new strategy or situation.
Organisational practice diverges from values because only managers have access to resources.	Study 4	Make resources available to employees to enable them to implement the values.
Organisational practice diverges from values due to internal systems not supporting them.	Study 4	Reward systematically values-based behaviours and/or efforts.
Employees perceive values to be followed if the manager handles the critical incidents.	Study 4	Define the values based on the managerial choices made in the past and according to the manager's preference for professional conduct that s/he personally is inclined to demonstrate.

Source: compiled by the author

The first organisational aspect discussed in length both in the theoretical and empirical part of thesis dealt with organisational stakeholders and their potential to be engaged in the defining of values. The first implication from these elaborations is that a starting point for any organisation in the MBV process should be the mapping of relevant stakeholders and the analysis of the impact of the values statement on these stakeholders. The stakeholders found to be most influenced by the values deserve more intensive engagement in the values formulation phase of MBV. The most intensive form of engagement would be decision-making in partnership and this thesis proposed that employees, managers and strategic owners may typically be the stakeholders who should have decision-making authority over values. Although consultation is an important engagement activity, too, it is not the only viable option as the organisations researched in the current thesis often considered.

Engaging stakeholders in defining values is not the only concern in that phase. The current thesis revealed that rigid internal policies may be an important source of values to be defined and this appeared to be especially topical for the public sector. Hence, an implication for public sector managers or any other organisation that is not flexible or ready to change its internal policies (e.g. recruitment, advancement, development, dismissal etc.) is that the introduction of MBV should equally begin with the analysis of the values

underlying its rigid policies and/or systems that are deemed to work well. Only the values that these policies and systems support should be considered for the values statement. As for flexible policies, these should be designed in accordance with the values statement and the ways to do that should be thought through before the values statement is adopted. In short, values that are not in alignment with internal systems, especially the performance management system, should not be part of the organisational rhetoric.

Moving on to the central ingredient of MBV – the values – some guidelines can be given as a result of the studies. First, it was argued that values should regulate the means rather than ends. This is not to say that the organisation does not need to think about its objectives, but MBV and the values statement in particular is a concept to support in the achievement of objectives, but does not define them. Therefore, managers should make sure that the objectives are clear so the values could offer an answer as to *how* these objectives are expected to be achieved. Secondly, the values statement works best when it envisages the desired attitudes or character expected from employees instead of prescribing behavioural norms.

In addition, it was proposed that organisational values belong to three dimensions, in principle: survival values, ethical values and well-being values. When choosing between them, priority should be given to values that deal with building effective relationships inside and outside the organisation (ethical dimension) and envisage individual and/or organisational well-being. These values have found to have the strongest motivational and commitment effect.

While this thesis could not provide evidence on the positive relationship between organisational culture and CSR with certainty, it is still maintained that strong culture and CSR are related. That said, the implications for managers are that creating a values-based organisation will lead to higher levels of CSR, and vice versa, organisational engagement in CSR activities affects organisational values and culture. This relationship is stronger the smaller the insider-outsider boundaries in the organisation. It is argued that in service organisations developing a relationship-oriented culture supports the achievement of organisational tasks via the spread to external stakeholders. Relationship orientation with external stakeholders in turn contributes to CSR. This means that service organisations wishing to increase their CSR should pay more attention to cultivating relationship-oriented organisational culture.

The analysis of other intra-organisational aspects in relation to MBV elevated the problems caused by inconsistent and idealistic values. It is difficult to derive any implications from the inconsistency problem because there are no concrete ways to avoid it. The least that can be done is to consciously check for potential inconsistencies in the values statement and if these are detected, consensus should be reached about more relevant values. When it comes to current or potential idealistic values, managers should be knowledgeable about the dangers. If values regularly diverge from practice, cynicism is generated, and if values are too tightly connected to the adopted strategy, the organisation may itself be imprisoned by the values and not be able to respond to changes in

the environment. Therefore, managers interested in MBV should critically assess the values not only in terms of current practices, but also different strategies that may be necessary in the future. In case a new strategy has been implemented, it is critical to discuss in the organisation what exactly do the values mean for the new strategy, and how these will help to orientate in the situation anew. Otherwise, employees tend to interpret the situation such that values are sacrificed to economic considerations.

The final intra-organisational aspects concern the resources and internal mechanisms necessary for the implementation of MBV. While MBV is highly related to the manager's choices and behaviour, it is not limited to the leader alone. If there is a wish to implement MBV as prescribed by its proponents¹³, the managers have to create opportunities and incentive mechanisms for all employees to live by the values. MBV requires delegation – front-line employees should have sufficient autonomy and power (i.e. resources) to deliver the values, and employee decisions that were driven by the desire to deliver the values should be rewarded and not punished.

Finally, there are the implications based on aspects at the individual level. It was found that respondent's organisational involvement positively affected the perception of values, even though the respondents were specific members of the organisations – students – and involvement was defined by their personal financial contribution to the studies. To expand the result, if managers wish to generate a higher acceptance of values by the stakeholders, it would be easier to achieve if stakeholders devoted their resources to the organisation.

It was also demonstrated that male respondents were more critical with respect to one particular value: *innovation and development*. Therefore, extra attention is to be paid to the communication and implementation of values related to *innovation*. Managers would need to be careful that obstacles to innovation are removed and organisational systems fully support new ideas and their realisation, if *innovation* is advocated.

Lastly, it appeared that the organisational position held by the person observed affected the perception of values and it was more positive, if manager's rather than co-worker's behaviour was interpreted. The implication of this result concerns mostly the definition phase of MBV. In particular, it indicates that the values are "defined" long before the official formulation, and when starting to define them it makes sense to try to find the pattern of principles or values that were applied by the manager in critical incidents in the past. Also, since managerial involvement is a value-defining situation for employees, then managers should make sure that the defined values correspond to their genuine preferences of professional conduct and what they themselves would not compromise.

¹³ A good metaphor at this point is given by Collins and Porras (1994) who divide leaders into time tellers and clock builders. The first category is clearly inferior because professing the values is the prerogative of the leader alone.

The implications presented in this sub-chapter directly reflect the theoretical elaborations and research questions that were applied in the thesis. Some of these may add little to the existing literature, e.g. the need to ensure that the performance management system would support the values or inconsistencies in the values should be eliminated. At the same time, many implications are novel or more detailed compared to the guidelines proposed by the existing MBV literature.

3.3. Conclusions

The current thesis analysed the process of MBV and discussed the influence of selected aspects on MBV. The research was motivated by the overtly optimistic but rather superficial description of MBV by its proponents and the lack of critical empirical analysis of different aspects in the process. The research was not undertaken to challenge the concept of MBV in general, and the results give no grounds for this either. However, some issues were highlighted that have not been discussed in MBV literature before, at least not thoroughly so, and the results add to the literature on MBV in several respects. The most significant results presented below are organised in the following way: at first there are some general remarks regarding the MBV process followed by comments about relevant aspects in each phase.

First, it was demonstrated that MBV is a process where the phases known as defining the values, communicating the values and aligning practices with values, are overlapping rather than separate stages and they form a cyclical process. In particular, the communication phase embodies both the defining of values as well as the alignment of values and practice. Therefore, the definition that was given by the author – *MBV is a series of interconnected managerial activities to ensure the acceptance of relevant organisational values inside and outside the organisation* – also stresses the communicative essence of this management concept. To date, the communication phase has been treated as an activity that stands between the definition and implementation of values (Blanchard, O'Connor, 1997), even though it has been stressed by many authors that actual practice is the most powerful means of communication (Kouzes, Posner, 1991; Solomon, 1999; Lord, Brown, 2001; Lencioni, 2002).

In the current thesis, it is additionally pointed out that the definition of values is also not isolated from the communication and moreover, the input for defining the values comes from alignment phase. This notion questions the dogmatic view about the order of the phases of MBV. It was pointed out that the existing practices are the source for a values statement and especially for those organisations where internal systems cannot be adjusted for whatever reason, the definition of values cannot be the first phase. Instead, such organisations have to assume there is an alignment of values and unchangeable practices and derive the values from there. In any case, applying just one element of MBV, most typically having a values statement, is a futile exercise.

Secondly, the introduction and maintenance of MBV needs resources from the organisation. This raises an interesting question about the effect on overall organisational financial performance if MBV related costs are deducted. The expected benefit of MBV – better performance due to more effective coordination and higher commitment – is only the “output” part, and no attempt has been made to weigh it against the necessary “input”. Moreover, there is no time frame in the claimed positive effects reported (exception is the study by Brønn *et al.*, 2006). As Blanchard and O’Connor (1997) admit that values may sometimes require hard decisions that do not enhance the bottom-line, the expected effects of MBV may well realise years after its adoption. Similarly, knowing that MBV requires substantial resource allocation, it might be asked whether the same amount of resources invested somewhere else (e.g. product development) would affect performance even more positively. This thesis brings out that:

- it is important for the alignment of practices and values that employees have access to resources;
- there are certain costs related to MBV which require organisations to sacrifice their financial performance in the short term.

Third, two issues with respect to definition of values was addressed in the thesis: the types of values to be defined and stakeholder engagement in the process. The current thesis makes a theoretical contribution by synthesising the views on the regulatory function of values and offers suggestions for producing effective values statement content. Based on the literature review it was proposed that values need not answer *what* is to be achieved in the organisation, but rather take a stand on *how* the desired objectives will be reached. In particular, values statements should be aimed at regulating employee character or attitudes rather than behaviour. It was also demonstrated that organisational values have a similar structure with the responsibilities that make up CSR. It was shown that:

- there are three general dimensions of values: survival values, ethical values and well-being values, which correspond to economic and legal responsibilities, ethical responsibilities and philanthropic responsibilities, respectively;
- while only ethical values are directly related to instrumentality and character, well-being values are also good candidates for the values statement.

Stakeholder engagement was also analysed empirically. A model of stakeholder engagement in the values formulation process was proposed and tested based on some Estonian banking organisations. It was found that:

- managers, employees and strategic owners were generally most highly affected by the values;
- engagement of these stakeholders should extend from consultation to partnership, although it is not yet a common practice.

Fourth, the thesis provided a novel result that concerned the different perception of values depending on the respondent’s gender and involvement with the organisation and this is especially relevant in the communication of values. It was found that gender affects the way values related to *innovation* were

perceived to be followed in the organisation, and that males were much more critical of this value. Based on this study:

- *innovation* is the value that generates different understandings and expectations regarding its implementation among males and females and this value should thus be carefully communicated.

The result that gave feeble confirmation to decision justification theory and in some sense, social exchange theory was that respondents' involvement with an organisation in terms of his/her costs of interacting with the organisation positively influenced the perception of values. In particular, those students who paid for their studies perceived that *quality of education* was more evident in the university. As this difference did not concern other values (in the case of the value *concern for students* the difference was likely generated by segregated organisational administrative systems), the finding cannot be over-interpreted. Rather, the hypothesis can be derived that increasing the individual's costs to interact with the organisation increases (up to a limit) the probability that his/her attitude towards the organisational values will be positive, as predicted by social exchange theory.

Fifth, when it comes to the alignment of values and practices, several aspects were highlighted that influence MBV. It was suggested in the thesis that conceptually, values reflect CSR and they reinforce each other. Empirically, the linkage was more complex. In service organisations values associated with internal relationships radiate to external stakeholders due to the breakdown of insider-outsider boundaries. Therefore, being relationship-oriented is not limited to internal stakeholders and as such; it is in fact the same as being task-oriented and demonstrating CSR. Therefore,

- in services, no distinction can be made between the internal and external relationship orientation;
- in services, relationship orientation and CSR facilitate each other.

It was confirmed by the studies that internal systems in organisations are the main barriers for the alignment of values and practice. Advocates of the MBV concept acknowledge that performance management is critical for the implementation phase of MBV, and therefore the thesis's contribution to theory here is less significant. However, one has to pay attention to the possibility that perhaps not all values can be integrated with the performance management systems in the first place. For example, *diversity* is a value that may cause unforeseen problems if translated to the performance management system (Cha, Edmondson, 2006), and *transparency* needs very specific boundaries to protect stakeholder interests equally (Griseri, 1995). MBV theory has not discussed such a possibility. On the contrary, it is maintained that it does not matter what the exact values are (Collins, Porras, 1994). As the implementation of values is the most challenging phase in MBV, the author of the thesis invites scholars and practitioners to describe the performance management systems related to particular values in more detail. As of today, literature on the best practice of MBV largely stops with the communication phase and brave conclusions about the effect on the performance (Buchko, 2007).

Finally, the aspect that influences both the alignment of values and practices, as well as defining the values concerns the extent to which idealism exists in the values statement. Specifically, the understanding that the defined values are (or even should be) idealisations is questioned. From a practical point of view, ideals create a number of problems. Communicating the ideals may increase the attractiveness of the organisation on the one hand, but likely cause disappointment and hypocrisy attribution on the other, as these ideals are not met in practice. Ideals are also difficult to relate with performance management systems directly, because there are probably several means that contribute to the ideal, and these should also be attended to as part of the performance measures. Furthermore, some means may be more appropriate than others, which make the ideal less clear as there are other relevant considerations. This argument supports the view that the values statement should regulate the means rather than ends. While the means can also be idealised (e.g. *care* in nursery is probably much more demanding than the same value in manufacturing), the desired level is subject to negotiations in the organisation and in doing so ideals turn into organisation specific values.

This thesis has opened new avenues in the conceptualisation of and empirical research of MBV. It was shown that some organisational, situational, intra-organisational and individual aspects are relevant to consider when adopting MBV. These aspects offer support to several implications, but the picture is still not complete and hardly ever will be. The results of the current thesis lead to conjecture that MBV does make it possible to develop the organisation via capitalising on its strengths and internal resources. MBV is a concept that aims at balancing the “soft”-side of the organisation with “hard” variables like financial performance indicators. Like many other contemporary management concepts MBV tries to cope with the increasing complexity of the organisational environment and management tasks. While its underlying idea will probably not be challenged in the near future, more empirical evidence is still needed in order to understand what the process requires. Some suggestions for further research that would develop the concept are offered in the next subchapter.

3.4. Limitations and suggestions for future research

The current thesis analysed some aspects that are relevant in the process of MBV, but certainly not all aspects were disclosed that might play a role. For instance, the financial or competitive situation of the organisation may be the reason why managers are motivated to introduce MBV in the first place, ownership and organisational structure probably affects the way MBV is undertaken, industry structure would potentially be relevant because it is in the fragmented markets that differentiation through values may be more topical etc., but these aspects were not addressed. Likewise, societal level factors were not the scope of the study, but this is not to say they are negligible.

That leads to another limitation relating to the research questions: they were formulated quite broadly and the results provided by the studies by no means gave exhaustive answers to them. For example, propositions set forth under the research question that dealt with the perception of values (“*What affects the perception of values?*”) only dealt with a limited choice of aspects among many other potentially relevant ones.

The limitation that applies similarly to all empirical studies in the current thesis is that the information about the values formulation process, organisational values, CSR and organisational practices are subjective assessments by the respondents. This could have resulted in response biases, especially when it comes to CSR and the need for and practice of stakeholder engagement. These topics may have generated social desirability effects and the results may appear more positively than they actually are.

The values under question represented the respondent’s perception about what the organisational values were, and using only one member of the organisation in case of Study 4 might raise the question of whether these values are actually in place in the organisation and how the other members of the organisation would have responded to the same question. Thus, there is subjectivity involved comprising of the observer’s own values, interests and perhaps even his/her level of moral development.

It might be considered whether the data on organisational values and reported critical incidents did not suffer from the respondents’ fear of losing their anonymity and facing punitive measures from their employers. These concerns were addressed in the design of the data collection process, but since the topics are sensitive, one cannot take the respondent’s honesty for granted. This limitation makes the critique of organisational practices even more valuable.

One has to be mindful of the specifics of the samples that were used in the studies. It is a limitation that two studies out of four were based on student samples. Study 4, where organisational practices were reported by working students, may have a response bias that is more analytical and sensitised with respect to values compared to a study of ordinary employees. Therefore, it might well be that in business organisations the (dis)connection of values and practices is not as sharply noticed by the employees or is noticed in different types of incidents, probably those immediately affecting the respondent. In similar ways, it was found that student self-financing may have favourable value perception outcomes in academia, but it is not certain that the same pattern would emerge in the business context. Needless to say that the results of stakeholder engagement practices bear the seal of banking organisations, and the connection between values and CSR has a service-specific interpretation. Overall, empirical data was collected from Estonian organisations, and there might be some peculiarities stemming from the society – for instance, the result that communication was an irrelevant aspect in MBV may be related to the homogeneity of employees’ cultural backgrounds in Estonian organisations.

Owing to the limitations, there are many ways to extend the research on the topic of MBV. The author makes only some remarks with regard to this and hopes that these as well as other aspects will be studied in the future to make MBV genuinely practical.

The values formulation process alone is an intriguing area to study. For instance, the conduct of this process may be influenced by the size and sector of the organisation. Obviously, public sector organisations face a different environment with regard to stakeholders and how values affect them compared to private sector organisations. There is some evidence that consensus building and the degree of stakeholder engagement is firmly higher in non-profit than in other organisations (Cumming, 2001, Lewis *et al.*, 2001), although McCourt (2007) believes that such negotiations distance the outcome from MBV because of the competing values among stakeholders.

Emotional satisfaction of organisational stakeholders both with the process and the outcome of engagement should be tested as well as whether and in what ways do the statements differ due to the variety of approaches to implementing engagement. Also, technical questions of the engagement process deserve deeper investigation. In the current study, for example, it appeared that customer engagement was deemed relevant, but no appropriate method was known to the organisation in order to pursue it. The estimation of necessary resources for the conduct of proper engagement is also relevant, since the limitation of these resources may inhibit the process just as a lack of knowledge or negative attitudes (Lewis, *et al.*, 2001, Gotsi, Andriopoulos, 2006).

The perception of values is a rather well-researched area, but the current thesis added one dimension that has not attracted attention before: the potential inter-linkage between the individual's costs of interacting with the organisation and his/her support of organisational values. Certainly, a causality problem imposes restrictions on the study methodology, but a well-designed experiment would open an interesting avenue of the applicability of social exchange theory in the field of organisational values and consequent implications for MBV. In addition to individual level aspects, future research could also investigate the effects of organisational or even macro level aspects on the perception of values. For instance, longitudinal studies are needed to discover how organisational performance, its reputation, labour market conditions etc. affect employees' perception of values.

In order to firmly establish the connection between values and CSR, a larger sample is needed to test this and using alternative survey instruments might also be needed. Qualitative research would broaden our knowledge on the types of values that have an immediate connection with CSR and on the ways these values manifest in responsible behaviour. It is also important to analyse if organisational performance is a mediating factor between values and CSR and if so, do Estonian organisations resemble organisations in other countries. There is an opportunity to study the implications of social identity theory on organisational values. Sector comparisons of the extent of reciprocity between the

values and outsider perceptions would advance our understanding of the formation and impact of organisational values.

The literature on MBV should take a more prominent role in the debate about value conflicts and the ways they are dealt with. Currently, it is the literature on business ethics that tackles the problem of value conflicts (e.g. Badaracco, 1997), but next to no implications have been derived for MBV. Internal consistency of values is claimed to be relevant in MBV, but there seems to be no credible mechanism to determine beforehand whether a pair of values embeds conflict or not. External consistency of values deserves to be studied as well. For instance, the interplay between corporate values and locally operating organisational values is topical area in the globalising business environment. It would be especially intriguing if MBV was pursued first on the local level, whether and what adaptations would be needed when the organisation becomes part of a larger entity with different values, and how this might affect its operations.

Finally, the costs and benefits of MBV should be addressed in a more integrative manner. The cost side is multifaceted ranging from the time and energy devoted for the definition and communication of values to the dropping of a financially beneficial strategy that is not in line with the values. Analysing both sides of the coin would result in a more balanced understanding of MBV. Also, explorative studies are needed to uncover the reasons why MBV fails. As of today, the literature is heavily biased towards MBV success-stories, but for learning purposes, failures might be even more effective.

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APPENDICES

Appendix I. Empirical studies on the relationships between values and individual and organisational non-financial outcomes (2000–2008)

Dependent variable	Independent variable(s)	Relationship	Author (year)
Employee commitment	(Perceived) value congruence between employee and organisation (manager)	Positive	Finegan (2000); Verquer <i>et al.</i> (2003)*; Abbott <i>et al.</i> (2005); Huang <i>et al.</i> (2005); Lankau <i>et al.</i> (2007); Cennamo, Gardner (2008)
Loyalty (as opposed to intention to turnover)	Value congruence between employee and organisation (different measures)	Positive	Verquer <i>et al.</i> (2003)*
	Perceived value congruence between employee and organisation	Positive	Cennamo, Gardner (2008)
Employee job satisfaction	Value congruence (different measures)	Positive	Verquer <i>et al.</i> (2003)*
	Perceived value congruence between employee and organisation	Positive	Cennamo and Gardner (2008)
	Values defined and communicated	ns	Fitzgerald, Desjardins (2004)
Employee satisfaction with CEO	Perceived value congruence between employee and organisation	Positive	Huang <i>et al.</i> (2005)
Employee involvement and participation in decision-making	Values defined and communicated, value congruence between employee and organisation	Positive	Fitzgerald, Desjardins (2004)
Employee performance rating and turnover rate	Values defined and communicated	Negative	Fitzgerald, Desjardins (2004)
Employee morale and absenteeism	Values defined and communicated	ns	Fitzgerald, Desjardins (2004)
Occupational stress, perceived violation of psychological contract	Value congruence between employee and organisation	Negative	Bocchino <i>et al.</i> (2003)
Relationship conflict	Perceived value dissimilarity between members of top management	Positive	Lankau <i>et al.</i> (2007)
Task conflict	Perceived value dissimilarity between members of top management team	ns	Lankau <i>et al.</i> (2007)

Dependent variable	Independent variable(s)	Relation-ship	Author (year)
Task and relationship conflict	Perceived value dissimilarity between employees and CEO	Positive	Lankau <i>et al.</i> (2007)
Motivation and extra effort to work	Strong (shared) values	Positive	Huang <i>et al.</i> (2005), Cha, Edmondson (2006)
Leader hypocrisy attribution and disenchantment	Strong (shared) values	Positive	Cha, Edmondson (2006)
Network co-operation	Value congruency between organisations	Positive, ns & negative	Järvensivu (2007)
Reputation of the organisation	Strong (shared) values	Positive	Brønn <i>et al.</i> (2006); Edvardsson <i>et al.</i> (2006)

Source: compiled by the author

* meta-study of research published between 1989–2002.

Appendix 2. Interview questions for Study I

Background questions about the organisation:

- a) Overview of the history of the organisation in Estonia;
- b) Estimated market share in Estonia (2008);
- c) Number of employees in the organisation (2008)
- d) When and why did the organisation start to define its values?

Study questions:

1. Which stakeholders are most important for the organisation?
2. How much are the following stakeholder groups affected by the existence of organisational values and why?
 - Strategic owners
 - Financial owners
 - Top management
 - Employees
 - Customers
 - Strategic partners
3. How much are the following stakeholder groups affected by the content of organisational values and why?
 - Strategic owners
 - Financial owners
 - Top management
 - Employees
 - Customers
 - Strategic partners
4. Do you think that the stakeholders more affected by the values should be (more) engaged in the process of formulating values statements?
5. Which stakeholders and how were engaged in your organisation in the process of formulating values statements?
6. If you were in the beginning of the process today, what would you do differently?

SUMMARY IN ESTONIAN – KOKKUVÕTE

VÄÄRTUSPÕHIST JUHTIMIST MÕJUTAVATE ASPEKTIDE ANALÜÜS NING SELLE TEOREETILISED JA PRAKTILISED JÄRELDUSED

Töö aktuaalsus

Organisatsiooni väärtuste (i. k. *organisational values*) käsitlemine on muutunud organisatsioonikäitumise- ja juhtimisalase kirjanduse lahutamatuks osaks. Kui eelmise sajandi esimesel poolel valitses arusaam organisatsioonist kui bürookraatlikust masinavärgist, siis tänasel päeval on rõhuasetus eelkõige inimkesksusel – eestvedamisel, organisatsioonikultuuri kujundamisel ja töötajate motiveerimisel. Organisatsiooni väärtused on nende nähtustega tihedalt seotud ja võib isegi öelda, et väärtuseid ignoreerides ei ole kaasajal võimalik inimesi juhtida. Kuid organisatsiooni väärtused ei ole mitte ainult personalijuhtimise teema: väärtuste olulisusest räägitakse erinevate strateegilise juhtimise valdkondadega seoses: strateegiline planeerimine (Williams, 2002), strateegilised koostöövõrgustikud (Järvensivu, 2007), turundus ja brändi kujundamine (Wilson, 2001; Urde, 2003), muudatuste juhtimine (Marginson, 2009), ettevõtete valitsemine (i. k. *corporate governance*) (Thomsen, 2004), teadmusjuhtimine (Hall, 2001), ettevõtete ühinemised (Mattila, 2007) jne. Kui veel üheksakümnendate alguses käsitleti organisatsioonikultuuri ja väärtuseid kui organisatsiooni ressursse, mis annavad sellele konkurentsieelise (Barney 1991), siis nüüdisaja kirjanduses kohtab väidet, et väärtustele tuginemine on organisatsioonile ellujäämise küsimus (Raich, Dolan, 2008).

On ilmne, et organisatsiooni väärtustega tegelemine on vähemasti praktikas kasvav trend ja seda nii äri- kui avaliku sektori organisatsioonides (van der Wal, Huberts, 2007; Speculand, Chaudhary, 2008). Nii näiteks on pandud tähele, et ligi 70% *Fortune 500*¹⁴ ettevõtetest on lisaks missioonile ja visioonile formuleerinud organisatsiooni väärtused (*Ibid.*) ja 45% Suurbritannia organisatsioonidest, kes osalevad iga-aastases juhtimisuuringus, väitsid, et nad muutuvad aina väärtuspõhisemaks (Garrow, Stirling, 2007). Eestis võib täheldada samsugust suundumust. Beljajeva (2007) analüüsis oma magistritöös Eesti suurettevõtete¹⁵ väärtustega seotud praktikaid ning leidis, et koguni 94% uuritud ettevõtetest (kokku 45) olid formuleerinud organisatsiooni väärtused.

Ometigi on huvitav, et laiaulatuslikule praktikale vaatamata ei ole selleteemalises kirjanduses jõutud kokkuleppele ühtses terminoloogias ja seda nii

¹⁴ *Fortune 500* on USA suurettevõtete iga-aastane pingerida (esimesed 500), milles võetakse aluseks ettevõtete poolt valitsusasutustele esitatavad andmed ettevõtte tulude, maksujärgse kasumi, varade, turuväärtuse, tulu aktsia kohta ning aktsia kogutootluse kohta.

¹⁵ üle 500 töötajaga

organisatsiooni väärtuste kui ka väärtuspõhise juhtimisega seonduvalt. Tundub, et sõna “väärtus“ on vähemalt osaliselt antud segaduse põhjustanud, sest juhtimisalases kirjanduses kasutatakse seda nii psühholoogilises kui ka majanduslikus tähenduses. Nii näiteks on väljendil “väärtuspõhine juhtimine” (i.k. *value-based management*) kaks täiesti erinevat tähendust. Esimene neist seonduv organisatsiooni väärtustega kultuurilises mõttes, teine on aga juhtimis- ja finantsarvestuse kontseptsioon. Kuid isegi organisatsioonikultuuri teemalises kirjanduses tähistatakse ja defineeritakse väärtustega seotud mõisteid erinevalt, nt. ”väärtuste kattuvust” (i. k. *value fit* või *value congruency*) mõistetakse eri uuringutes erinevalt. Terminite osas ei ole eesti keeles olukord parem: nt. “ettevõtte väärtused”, “organisatsiooni väärtused”, “firma väärtused” ja “põhiväärtused” käsitletakse tihti samatähenduslikuna, ehkki mitte alati. Käesolevas doktoritöös kasutatakse läbivalt mõistet “organisatsiooni väärtused” ja defineeritakse need Roe ja Ester’ile (1999) tuginedes kui “püsivad arusaamad, mille alusel hinnatakse tegevusi või tulemusi”.

Väärtuspõhine juhtimine on defineeritud autori poolt kui “üksteisega seotud juhtimistegevused, mille eesmärgiks on tagada organisatsioonile oluliste väärtuste omaksvõtt nii organisatsiooni sees kui väljas”. Eesti keeles on antud juhtimiskontseptsiooni tõlgitud ka kui ”väärtusjuhtimine” (nt. Tallinna Tehnikaülikooli lõputöodes) ja ”väärtushoiakutel põhinev juhtimine” (Blanchard ja O’Connor’i (1997) raamatu tõlge). Autori arvates iseloomustab ”väärtuspõhine juhtimine” antud kontseptsiooni siiski kõige paremini, sest ”väärtusjuhtimine” ei ava piisavalt selgelt, millises tähenduses väärtust mõtestatakse – majanduslikus või kultuurilises.

Organisatsioonikultuuri ja juhtimist käsitleva kirjanduse võib jagada kolme perspektiivi vahel: seostatuse (i. k. *integration*), eristumise (i. k. *differentiation*) ja killustatuse (i. k. *fragmentation*) perspektiiv. Väärtuspõhine juhtimine lähtub peamiselt seostatuse perspektiivist, mille kohaselt on organisatsiooni väärtuseid võimalik ja vajalik juhtida ning tugev kultuur ja sisemine konsensus väärtuste osas on organisatsiooni edukuse tagatiseks (Martin, Frost, 1999). Arvestades, et väärtuspõhisest juhtimisest kirjutavad palju just juhtimispraktikud ja konsultandid, ei ole antud perspektiivi domineerimine üllatav. Kuid eristumise ja killustatuse perspektiiv panevad seostatuse perspektiivi eeldused küsimärgi alla – nii selle, kas väärtuseid on üldse võimalik juhtida kui ka selle, kas tugev organisatsioonikultuur on alati hea (nt. Trice, Beyer, 1993; Griseri, 1995; Alvesson, 2002). Eristumise perspektiivis on organisatsioonides tegemist eri sub-kultuuridega ja need võivad üksteist toetada, olla omavahel konfliktis või üldse mitte kokku puutuda. Seega valitseb organisatsiooni kui terviku tasandil alati kultuuriline ebamäärasus ning väärtuste kontrollimine ja juhtimine on problemaatiline. Killustatuse perspektiiv läheb veelgi kaugemale ja eitab ühtsete väärtuste olemasolu isegi sub-kultuuri tasandil, väites, et kultuuriline ebamäärasus on organisatsiooni läbiv ja pidev. Mõistagi on kultuur selles perspektiivis kontrollimatu nähtus.

Martin ja Meyerson (1988) kutsusid uurijaid üles kultuuriliste nähtuste analüüsimisel lahti ütleva ühest kindlast perspektiivist, kuid võib väita, et

väärtuspõhise juhtimise kirjanduses on seda seni vähe kasutatud. Valdavalt kohtab autoreid, kes väärtustega manipuleerimisse ja selle tulemustesse suhtuvad üdini positiivselt ning pööravad pealiskaudset tähelepanu juhi ees seisvatele probleemidele ja valikukohtadele, kui väärtuspõhise juhtimise tegevust rakendada. Buchko (2007) leiab, et organisatsiooni väärtuseid käsitlevas kirjanduses valitsevad kaks lähenemist – filosoofiline ja kogemuslik (i.k. *anecdotal*) ning mõlemad esitlevad väärtuste juhtimise organisatsiooni edukuse võtmetegurina. Filosoofiline lähenemine soovib juhtidele teatud “õigeid” väärtuseid või teeb üldistusi praktikas levinud väärtuste efektiivsuse kohta. Kogemuslik lähenemine kirjeldab enamasti juhtumeid või lugusid organisatsioonide või nende juhtide väärtustest ning seostab need organisatsiooni eduga. Niehoff *et al.* (1990: 350), kes uurisid juhtkonna tegevuse mõju töötajate hoiakutele ja tajule, märkisid oma artiklis, et: “Kogemusi, mida meile jagatakse populaarteaduslikes allikates, ei peaks küll halvustama, kuid need peaksid uurijaid motiveerima püstitama hüpoteese, mida empiiriliselt testida”. See tsitaat sobib autori meelest hästi iseloomustama olukorda väärtuspõhise juhtimise valdkonnas ja käesolev doktoritöö annab oma panuse, et mõningaid levinud seisukohti ka empiiriliselt kontrollida.

Antud doktoritöö koostamise motivatsiooniks oli kriitiliselt hinnata ja edasi arendada väärtuspõhise juhtimise kontseptsiooni, analüüsides lähemalt valitud aspekte, millega väärtuspõhise juhtimise rakendamisel kokku puututakse. Autori arvates on senistes uurimustes paljuski jäädud üldfilosoofilisele tasemele ja vähe on tähelepanu pööratud praktilistele küsimustele, nt. kuidas võiks toimuda väärtuste formuleerimine organisatsioonis või millised probleemid kerkivad esile, kui väärtuseid ja praktikat püütakse ühildada. Kuigi kirjanduses viidatakse võimalikele väärtuspõhise juhtimisega kaasnevatele probleemidele, ei ole empiirilisi uuringuid selle kohta kuigi palju. Põhjuseks võib olla see, et organisatsioonid eelistavad oma ebaõnnestumistest vaikida ning konsultandid, kellel on küll huvipakkuvale infole ligipääs, ei ole huvitatud teaduslikele nõuetele vastavaid uuringuid teostama.

Kuigi organisatsiooni väärtustega seonduvad teooriad ja ka empiirilised uuringud on alguse saanud anglosaksi kultuuriruumist – USA, Inglismaa, Kanada, Austraalia (Knoppen *et al.*, 2006), on viimasel kahel aastakümnel ka Skandinaavia uurijad selles valdkonnas olulisteks tooniandjateks (nt. Alvesson, Brunsson, Ekvall, Kujala, Schultz, Thomsen jpt.). Organisatsiooni väärtuste uurimine on nendes riikides leidnud organisatsioonikäitumise ja juhtimise valdkonnas kindla koha. Nii näiteks avati 2002. a. Kopenhaageni Ärikoolis ettevõtte ühiskondliku vastutuse uurimiskeskus (*Centre for Corporate Social Responsibility*), kus eetika ja vastutuse kõrval on uurimisobjektiks ka organisatsiooni väärtused. Soomes kaitsti 2007. a. vähemalt kaks väärtuspõhise juhtimise teemat doktoritööd. Mattila (2007) väitel on Soomes organisatsiooni väärtused olnud “moes” alates üheksakümnendate algusest ja nt. Nokia edulugu seostatakse just väärtuspõhise juhtimisega.

Eestis on huvi organisatsiooni väärtuste vastu tõusuteel. Enamus äriorganisatsioone alustasid 1990-ndate alguses nullist ja on oma elutsükklis jõudnud

faasi, kus peamiselt keskendutakse efektiivsuse kasvatamisele ning organisatsioonisiseste ressursside leidmisele ja paremale ärakasutamisele (Vadi, Vedina, 2007). Pühendumist teatud väärtustele võib pidada üheks selliseks organisatsioonisiseks ressursiks, mis täiendab formaalseid reegleid ja norme. Organisationsioonide poolset huvi ja nõudlust antud teema järele näitavad arvukad väärtustele pühendatud konverentsid ja koolitused ning paljude konsultatsioonifirmade teenusteportfelli kuulub väärtusauditi tegemine organisatsioonis. Samas, Eesti organisatsioonidel põhinevad uuringud selles valdkonnas sisuliselt puuduvad ning ideed ja soovitused organisatsioonidele pärinevad enamasti Ameerika-päritolu populaarteaduslikest väljaannetest.

Kokkuvõttes on doktoritöö aktuaalne kahel põhjusel: empiiriliste uuringute vähesus väärtuspõhise juhtimise valdkonnas üldiselt ning Eesti organisatsioonide kohta iseäranis. Et empiirilisi uuringuid väärtuspõhise juhtimise valdkonnas on vähe, siis on ka teooria lünklik või ühekülgne. Väärtuspõhise juhtimise kontseptsiooni käsitletakse valdavalt eeldusega, et jagatud väärtused on võimalikud ja omavad positiivset mõju organisatsiooni tulemuslikkusele, seega ei ole ka selle rakendamine kuigi keerukas ja parandab automaatselt organisatsiooni tulemusi. Selline lähenemine ei võimalda kriitilist analüüsi ja päädib pealiskaudsete soovitustega juhtidele. Lisaks on seda valdkonda Eesti organisatsioonide põhjal vähe uuritud, kuigi nähtub, et väärtuspõhine juhtimine või vähemalt selle elementide rakendamine on siinsetes organisatsioonides üpris levinud.

Uurimuse eesmärk ja ülesanded

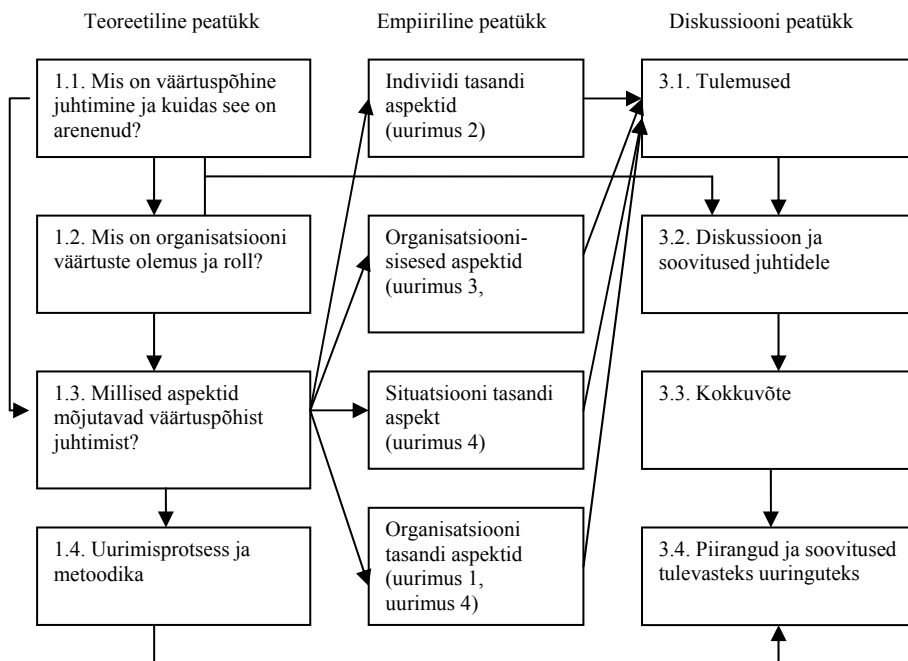
Käesoleva doktoritöö eesmärk on Eesti organisatsioonide näitel töötada välja ettepanekud väärtuspõhise juhtimise kontseptsiooni edasi arendamiseks ja praktiliseks rakendamiseks. Eesmärgi saavutamiseks püstitatakse järgnevad uurimisülesanded:

- 1) anda teoreetiline ülevaade väärtuspõhise juhtimise kontseptsioonist ja organisatsiooni väärtustest.
- 2) avada potentsiaalsed valikukohad ja probleemid, mis väärtuspõhises juhtimises võivad esile kerkida.
- 3) tuua välja olulisemad aspektid, mis väärtuspõhist juhtimist võivad mõjutada ja formuleerida vastavad uurimisväited.
- 4) analüüsida Eesti organisatsioonide põhjal valitud aspektide mõju väärtuspõhisele juhtimisele.
- 5) töötada välja ettepanekud väärtuspõhise juhtimise kontseptsiooni edasi arendamiseks ning selle edukamaks rakendamiseks.

Töös tehtavad järeldused aitavad juhtidel tõsta teadlikkust väärtuspõhise juhtimise võimalikest karidest ja aitavad seeläbi kaasa selle edukamale rakendamisele. Kuigi tuginetud on Eesti organisatsioonide andmestikule, usub töö autor, et tulemused on huvipakkuvad ja rakendatavad mistahes organisatsioonis, kus idee väärtuspõhise juhtimise kontseptsioonist on toetust leidnud.

Töö ülesehitus ning teoreetiline taust

Käesolev doktoritöö koosneb kolmest peatükist: teoreetilisest, empiirilisest ja diskussiooni peatükist. Töö ülesehitus on esitatud joonisel 1. Esimese peatüki kolm esimest alapeatükki on joonisel esitatud küsimustena, millele soovitakse vastavates alapeatükkides vastused leida.



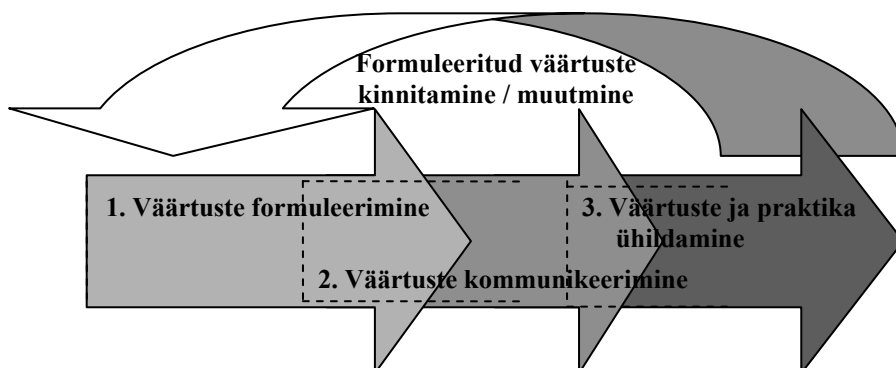
Joonis 1. Doktoritöö ülesehitus

Allikas: autori koostatud

Töö esimeses, teoreetilises peatükis antakse ülevaade väärtuspõhise juhtimise ja organisatsiooni väärtuste kui väärtuspõhise juhtimise põhiinstrumendi teoreetilisest alustest. Peatükk koosneb neljast alapeatükist. Esimene alapeatükk annab ülevaade väärtuspõhise juhtimise olemusest ja eesmärkidest. Väärtuspõhise juhtimise kontseptsioon on kujunenud tööde põhjal, mis seostavad organisatsiooni edu tema visiooni ja väärtustega, mis võrreldes teiste samalaadsete organisatsioonidega on selgemad ja omavad organisatsioonis tugevamat toetust (Peters, Waterman, 1982; Collins, Porras, 1994). Nendes töodes ei ole uuritud väärtuste kujunemise protsessi, kuid hilisemad autorid (nt. Blanchard, O'Connor, 1997) on välja töötanud just väärtuste kujundamise ja juhtimise protsessi, mille eesmärk lõppkokkuvõttes on parandada organisatsiooni finantstulemusi. Põgusalt on tutvustatud väärtuspõhise juhtimise ajaloolist kujunemist ning välja toodud nelja tasandi aspektid, mis kontseptsiooni rakendamist mõjutavad – ühiskonna tasandi, organisatsiooni tasandi, organisatsioonisisese ning indiviidi tasandi aspektid. Antud töös keskendutakse

viimasele kolmele tasandile, kuna uurimused on läbi viidud vaid Eesti organisatsioonide põhjal.

Väärtuspõhise juhtimise protsessi on kirjeldatud kolmeetapilisena: väärtuste formuleerimine, väärtuste kommunikeerimine ning praktika ühildamine väärtustega. Väärtuste formuleerimine on tegevus, mille tulemuseks on sõnastatud väärtused (i. k. *values statement*). Väärtuste kommunikeerimine tähendab väärtuste edastamist sidusgruppidele erinevate kommunikatsioonikanalite kaudu, sh nt. avalik meedia, organisatsiooni sümboolika, koosolekud, strateegiadokumendid jne. Väärtuste ja praktika ühildamine hõlmab endas kõikvõimalike organisatsiooni tegevuste kooskõlla viimist sõnastatud väärtustega. Igas etapis on aga terve rida aspekte, mis pealtnäha lihtsa kontseptsiooni keerukaks muudavad. Nii näiteks on kirjanduses arutletud selle üle, kes peaks väärtuste formuleerimisest osa võtma, kui mitu väärtust on õige formuleerida, millistele tingimustele peavad formuleeritud väärtused vastama jms. Samuti ilmneb, et iga etapp on tihedalt eelmise ja järgmisega seotud – kas või see, mil viisil väärtuseid formuleeritakse, on tegelikkuses praktika ühildamine (veel sõnastamata) väärtustega ja mõjutab omakorda nende kujunemist (vt. joonis 2).



Joonis 2. Väärtuspõhise juhtimise protsess
Allikas: autori koostatud

Teine alapeatükk käsitleb kesket mõistet väärtuspõhises juhtimises – organisatsiooni väärtuseid – ja siinjuures keskendutakse just formuleeritud väärtustele kui väärtuspõhise juhtimise lahutamatu instrumentile. Organisatsiooni väärtused võivad olla selle liikmete poolt teadvustamata, kuid võivad ka olla organisatsioonis teadvustatud ja muudetud nähtavaks (Schein, 2004). Samas võivad nii teadvustamata kui teadvustatud väärtused olla organisatsioonis jagatud e. tugeva toetusega või vähese toetusega. Just lähtuvalt neist tunnustest kasutatakse kirjanduses organisatsiooni väärtuste kohta ka erinevaid termineid. Väärtuspõhise juhtimise protsessis on oluline, et väärtused on teadvustatud ning reeglina on nad ka kirjalikult fikseeritud e. nähtavad (väärtuspõhise juhtimise esimene etapp). Protsessi juhtimise järgnevad etapid on suunatud väärtuste omaksvõtu suurendamisele eri sidusgruppide hulgas.

Teises alapeatükis analüüsitakse formuleeritud väärtuste rolli organisatsioonis. Tulenevalt väärtuste definitsioonist reguleerivad nad nii tulemusi (lõppväärtused) kui ka viise nende tulemuste saavutamiseks (tugiväärtused). Sellest võibki järeldada, et väärtuseid on ka organisatsiooni kontekstis kahesuguseid. Tugiväärtused omakorda jagunevad hoiakuid või iseloomu reguleerivateks ning käitumist reguleerivateks. Peatükis arutletakse, mida väärtuspõhine juhtimine õieti reguleerima peaks ning mida võiks väärtuste formuleerimisel sellest tulenevalt silmas pidada. Lisaks sellele analüüsitakse erinevate autorite poolt pakutud organisatsiooni väärtuste jaotust nende sisu järgi ja selle tulemusena pakutakse välja üldine väärtuste dimensioone kirjeldav raamistik, kus väärtused jagunevad ellujäämisega seotud, eetilisteks ning healuga seotud väärtusteks. Näidatakse, et väärtuspõhise juhtimise raamistikus tuleks sõnastatud väärtuste juures keskenduda just viimasele kahele.

Teine alapeatükk lõpeb väärtuste dimensioonide ja ettevõtte ühiskondliku vastutuse kontseptsiooni võrdlusega. Kuigi organisatsiooni väärtuste ja väärtuspõhise juhtimise teemaline kirjandus puudutab otseselt või kaudselt eetikaküsimusi ning ettevõtte ühiskondlikku vastutust, ei ole seni selgelt demonstreeritud, mil moel need nähtused omavahel seotud on. Antud doktoritöös on nähtuste sarnasused ja erinevused välja toodud.

Kolmandas alapeatükis esitatakse neli uurimisküsimust. Uurimisküsimused on järgmised:

- 1) milliseid organisatsiooni sidusgruppe ja mil viisil kaasata väärtuste formuleerimisse?
- 2) mis mõjutab organisatsiooni väärtuste tajumist?
- 3) kuidas on organisatsiooni väärtused ja praktika ettevõtte ühiskondliku vastutuse näitel seotud?
- 4) miks organisatsiooni väärtused ja praktika erinevad?

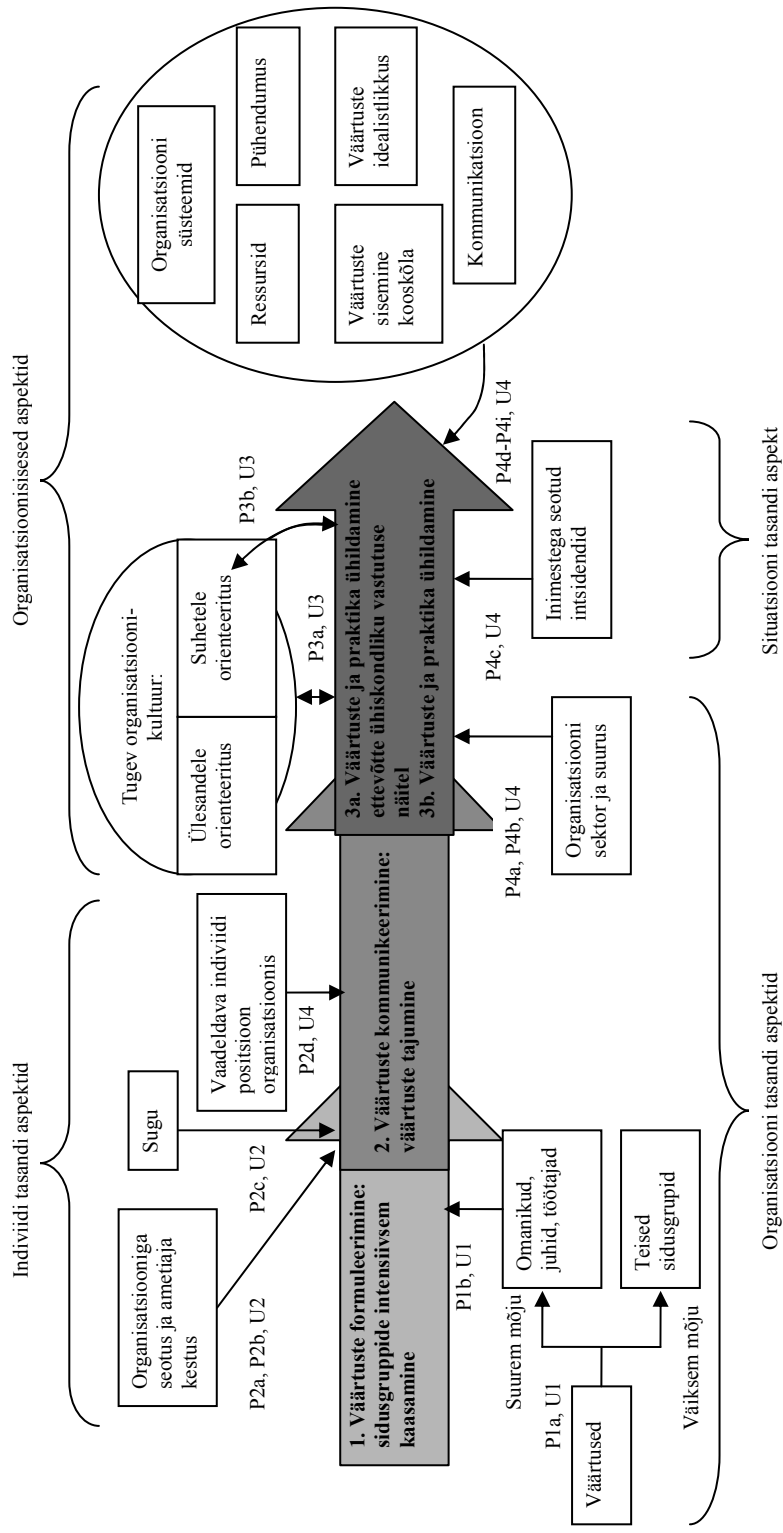
Varasemate uuringute põhjal formuleeritakse konkreetsete uurimisväited ülaltoodud küsimustele vastamiseks. Esitatakse uuringu üldine raamistik (vt. joonis 3), kus formuleeritud uurimisväited kirjeldavad organisatsiooni tasandi, situatsiooni tasandi, organisatsioonisiseseid ja indiviidi tasandi aspekte. Organisatsioonitasandi aspektid on tunnused, mis on sarnased paljudel organisatsioonidel: nt suurus, sektor, kus tegutsetakse, olulisemalt sidusgrupid jne. Organisatsioonisiseseid aspekte seevastu on näitajad, mis on igal organisatsioonil unikaalsed (nt tema kultuur, ajalugu, sisemised süsteemid jne). Mitmete nimetatud aspektide mõju väärtuspõhisele juhtimisele uuritakse empiirilises peatükis.

Töö empiiriline peatükk koosneb neljast eraldiseisvast uurimisest. Uurimus 1 keskendub väärtuspõhise juhtimise protsessi esimesele faasile, milleks on väärtuste formuleerimine, ning selle eesmärgiks on välja selgitada, millised organisatsiooni sidusgrupid ja mil viisil peaksid nad olema sellesse protsessi kaasatud. Senises vastavateemalises kirjanduses ei ole leitud konsensust ei sidusgruppide osas, keda peaks sellesse protsessi kaasama ega viisides, kuidas seda teha. Ühest äärmusest võib leida seisukoha, et organisatsiooni väärtused on tippjuhi isiklikud väärtused ja/või eelistused (Lencioni, 2002), teist äärmust

iseloomustab aga kõikide oluliste sidusgruppide hõlmamine organisatsiooni otsustusorganitesse, nt. nõukogusse (Scholes, James, 1997). Uurimuse käigus kasutatakse organisatsiooni väärtuste mõju analüüsi valitud sidusgruppidele kui mehhanismi, mis võimaldab otsustada nii sidusgrupi kaasamise vajaduse kui ka selle vormi üle. Tuginetakse Lewis *et al* (2001) poolt pakutud seisukohale, et juhid peaksid iga otsuse juures kaaluma otsuse eeldatavat mõju eri sidusgruppidele ja lähtuvalt sellest tagama sidusgrupile ligipääsu otsustusprotsessile. Kuigi sidusgrupid ja väärtuste mõju neile erineb organisatsiooniti mingil määral, võib siiski teha ka teatavaid üldistusi ning seetõttu on sidusgruppide kaasamine kajastatud organisatsiooni tasandi aspektina.

Uurimus 2 keskendub indiviidi tasandi aspektidele, mida väärtuspõhise juhtimise protsessis võiks arvestada. Väärtuspõhise juhtimise sõlmküsimus on, kuidas inimesed väärtuseid tajuvad, sest antud kontseptsiooni kohaselt peaksid väärtused olema kõigile üheselt mõistetavad. Samas on leitud, et organisatsiooni töötajad mõistavad samu väärtuseid väga erinevalt (Anderson, 1997; Prilleltensky, 2000; Cha, Edmondson, 2006; Mattila, 2007; Mowles, 2008; Marginson, 2009). Erinevusi selgitab Weick'i (2001) interpretatsiooniteooria – informatsiooni töötlemine on sõltuv inimese individuaalsetest väärtustest, senistest kogemustest, huvidest ja ka kognitiivsest võimekusest. Kuid lisaks sellele on leitud, et väärtuste tajumist mõjutavad teatavad sotsiaaldemograafilised aspektid, nt. positsioon organisatsioonis, ametiaja kestus, organisatsiooniga seotuse määr ja isegi sugu. Antud uurimuses testitakse organisatsiooniga seotuse, ametiaja kestuse ja soo mõju väärtuste tajumisele tudengite valimi põhjal. Tulemused annavad lisateadmisi väärtuste tajumist mõjutavate tegurite kohta ning aitavad organisatsiooni väärtuste kommunikeerimist efektiivsemalt kavandada ja läbi viia.

Uurimus 3 avab diskussiooni organisatsioonisiseste aspektide olulisusest väärtuspõhise juhtimise protsessis ning antud uurimuses keskendutakse organisatsioonikultuuri orientatsioonidele. Kuigi organisatsiooni väärtuseid käsitleva kirjanduse põhjal võib järeldada, et ettevõtte ühiskondlik vastutus on organisatsioonikultuuriga ja sealhulgas väärtustega tihedalt seotud, ei ole selle kohta teostatud empiirilisi uuringuid või puudutavad need seost kõige üldisemal tasandil (nt. Thornton ja Jaeger'i (2008) uuring, kus kahe ülikooli põhjal näidatakse, et nii nagu erinevad nende organisatsioonikultuurid, erineb ka suhtumine sidusgruppidesse). Uurimuses 3 formuleeritakse konkreetseid hüpoteese eeldatavate seoste kohta organisatsioonikultuuri orientatsioonide ja ettevõtte ühiskondlikult vastutustundliku käitumise vahel. Väärtuspõhise juhtimise kontekstis puudutab antud uurimus väärtuste ja praktika ühildamise faasi.



→ Uuritavad seosed P1a...P4j Uurimisväited U1-U4 Doktoritöös viidatud uurimused
Joonis 3. Doktoritöö empiiriline raamistik: väärtuspõhised juhtimist mõjutavad aspektid
 Allikas: autori koostatud

Väärtuste ja praktika seos on ka uurimuse 4 fookuses. Väärtuspõhise juhtimise kõige suuremaks väljakutseks peetakse selgusele jõudmist, kuidas sõnastatud väärtused peaksid kajastuma organisatsiooni igapäevases tegevuses. Mõned autorid (Brunsson, 2002; McCourt, 2007) on arvamusel, et kooskõla on keerulisem saavutada suurtes organisatsioonides ja avalikus sektoris. Samuti ilmneb väärtuspõhise juhtimise kirjandusest, et organisatsioonid ei suuda kontseptsiooni rakendada, kui ei olda väärtustele piisavalt pühendunud, puuduvad vajalikud ressursid, kommunikatsioon on ebapiisav jne. Lisaks nimetatud organisatsioonisisestele aspektidele on antud uurimuses hõlmatud ka organisatsiooni tasandi aspektid (organisatsiooni suurus, sektor) ja situatsiooni tasandi aspekt. Kuna uurimuses kasutatakse kriitiliste intsidentide tehnikat (vt. järgmine alapeatükk), mis on seotud konkreetsete inimeste käitumisega, siis ei ole väärtuste tõlgendamisel küsimus ainult selles, kuidas käitutakse, vaid ka selles, kes käitub. Juhtide erilist rolli väärtuste kujundamisel rõhutavad pea kõik autorid, kes organisatsiooni väärtustest kirjutavad (Badaracco, 2003; Lencioni, 2002; Griseri, 1998; Solomon, 1999; Schein, 2004; Cha, Edmondson, 2006). Seega on uurimuses 4 vaatluse all ka üks indiviidi tasandi aspekt – intsidentis keskset rolli mängiva indiviidi ametialane positsioon. Antud uurimuse tulemusena tuuakse välja olulisemad põhjused, miks Eesti organisatsioonides praktika väärtustest erineb ning tehakse ettepanekuid nende ühildamiseks. Kokkuvõtlik tabel uurimuste pealkirjade, eesmärkide ja kasutatavate andmete kohta on esitatud tabelis 1.

Tabel 1. Ülevaade doktoritöö empiirilise peatüki uurimustest

Uurimus	Uurimuse pealkiri ja eesmärk	Empiirilised andmed
Uurimus 1	“Organisatsiooni sidusgruppide kaasamine väärtuste formuleerimise protsessis”. Eesmärk on pakkuda välja mudel sidusgruppide kaasamise kohta väärtuste formuleerimise protsessis.	Neli Eesti pangandus-organisatsiooni
Uurimus 2	“Ülikooli väärtuste tajumine tudengite poolt: mõned mõjutegurid” Eesmärk on uurida tudengite poolt tajutud ülikooli väärtuseid	271 kriitilist intsidenti 237-lt Tartu Ülikooli tudengitelt
Uurimus 3	“Organisatsioonikultuur ja ettevõtte ühiskondlik vastutus: avastuslik uurimus Eesti teenindusorganisatsioonide põhjal” Eesmärk on analüüsida, kas ja kuidas on organisatsioonikultuur seotud ettevõtte ühiskondliku vastutusega Eesti teenindusorganisatsioonides.	17 Eesti teenindus-organisatsiooni
Uurimus 4	“Organisatsiooni väärtused ja organisatsiooni praktikad: miks nad erinevad?” Eesmärk on välja selgitada need tegurid tööga seotud intsidentides, mis põhjustavad praktika erinemist organisatsiooni väärtustest.	198 kriitilist intsidenti Eesti erinevatest organisatsioonidest

Allikas: autori koostatud

Töö kolmas e. diskussiooni peatükk esitab nii töö teoreetilise kui empiirilise osa tulemuste sünteesi ja samuti nagu eelmised peatükid on see jagatud neljaks alapeatükiks. Esimene alapeatükk esitab empiirilise peatüki uurimuste tulemused kõige üldisemal kujul, millele järgneb põhjalikum diskussioon ja võimalikud järeldused juhtide jaoks järgmises alapeatükis. Kokkuvõttev alapeatükk toob välja doktoritöö olulisemad tulemused koos teoreetilise panusega ning viimane alapeatükk käsitleb antud töö piiranguid ning soovitusi tulevasteks uuringuteks.

Uurimismetoodika ja andmed

Metoodika organisatsiooni väärtuste uurimiseks on mitmekesine ja sõltub nii konkreetsest uurimiseesmärgist kui ka sellest, kas uurimisobjektiks on väärtuste nähtav tasand või peidetud ja teadvustamata tasand. Levinud on nii juhtumiuuringud (nt. Pedersen, Rendtorff, 2004; Cha, Edmondson, 2006; Buchko, 2007) kui ka organisatsioonide valimid (nt. Johannsen, 2004; Urbany, 2005; Van der Wal, Huberts, 2007; Knoppen *et al.*, 2006).

Organisatsiooni väärtuste teadvustamata tasandi uurimisel on enim kasutatavaks meetodiks organisatsiooni liikmete ankeetküsitlus. Autorid paluvad enamasti Likerti skaalal hinnata, kuid võrd mingi väärtusega seotud väide kehtib küsitletava arvates tema organisatsioonis, nt. "tulemuste saavutamiseks töötatakse kaua ja intensiivselt" (Abbott *et al.*, 2005: 535). Väited on koostatud kas autorite endi poolt või kasutatakse olemasolevat küsimustikku nagu nt. O'Reilly *et al.* (1991) poolt välja töötatud Organisatsioonikultuuri Profiil või Organisatsioonikultuuri Hindamise Instrument, mis on välja töötatud Cameron ja Quinn'i (1999) poolt. Väidete asemel kasutatakse vahel ka väärtuseid endid koos definitsioonidega, nt. "kollegiaalsus: lojaalne ja kolleegide suhtes solidaarne käitumine (Van der Wal, Huberts, 2007: 7). Kvalitatiivsete meetoditena kasutatakse teadvustamata väärtuste välja selgitamiseks intervjuusid (Cha, Edmondson, 2006), vaatluseid (Buchko, 2007) või erinevate meetodite kombinatsiooni (Knoppen, *et al.*, 2006).

Teadvustatud ja nähtavaid väärtuseid uuritakse tavaliselt teistele andmetele tuginedes. Näiteks Wenstøp ja Myrmel (2006) analüüsisid organisatsioonide kodulehekülgede tekstilist poolt, Knoppen *et al.* (2006) lisasid tekstianalüüsile kultuuriliste artefaktide analüüsi, Kabanoff ja Daly (2002) tegid aastaaruannete sisuanalüüsi. Väärtuspõhist juhtimist kogu protsessi ulatuses ainult nähtava tasandi väärtuste abil analüüsida ei saa, sest väärtustega kõrvuti tuleb uurida ka organisatsiooni tegelikku toimimist. Seetõttu on esmaste andmete kogumine ja analüüsimine vältimatu ja seda on tehtud ka käesolevas doktoritöös.

Antud doktoritöös on kasutusel nii kvalitatiivsed (uurimus 1, uurimus 2, uurimus 4) kui kvantitatiivsed meetodid (uurimus 2, uurimus 3, uurimus 4), juhtumipõhine lähenemine (uurimus 1, uurimus 2) kui ka organisatsioonide valimid (uurimus 3, uurimus 4). Töö autor on erinevates uurimustes kasutanud kolme meetodit: intervjuusid (uurimus 1), kriitiliste intsidentide tehnikat (uuri-

mus 2 ja uurimus 4) ning ankeetküsitlust (uurimus 3). Kui intervjuudel põhinev uurimus on täies ulatuses kvalitatiivne ja ankeetküsitlus kvantitatiivne, siis kriitiliste intsidentide tehnika on kombinatsioon kvalitatiivsest ja kvantitatiivsest meetodist. Järgnevalt peatutakse lähemalt iga uurimuse meetodi ja andmete juures.

Uurimuses 1 leiti, et eesmärgi täitmiseks on kõige kohasem läbi viia poolstruktureeritud intervjuud (vt. lisa 2) valitud organisatsioonides. Uurimuses sooviti vaadelda sidusgruppide kaasamise praktikat väärtuste sõnastamise protsessis ja kuna autorile teadaolevalt olid mõned pangandusorganisatsioonid väärtuste väljatöötamisega põhjalikult tegelenud, valiti uurimisobjektiks selle sektori esindajad. Et aga eesmärk oli kontrollida teooriat, mitte teha üldistusi populatsiooni kohta, valiti meetodiks mitmene juhtumiuuring. Intervjuu palve esitati viiele personalijuhile või väärtuste väljatöötamise juures olnud keskastmejuhile eri pangandusorganisatsioonides ning nelja organisatsiooni esindajaga viidi läbi kuni 60 minutiline intervjuu, mis salvestati autori poolt.

Uurimuses 2 ja 4 kasutati kriitiliste intsidentide tehnikat, kusjuures esimeses oli tegemist ühe organisatsiooni põhise uuringuga ja teises koguti andmeid erinevatest organisatsioonidest. Kriitiliste intsidentide tehnika tugineb teatud protseduuridele vaatluste kogumiseks, analüüsimiseks ja klassifitseerimiseks (Gremler, 2004). Kriitilised intsidendid võimaldavad näidata erinevusi või sarnasusi organisatsiooni poolt deklareeritud e. teadvustatud tasandi väärtuste ja tegelike e. teadvustamata tasandi väärtuste vahel. Organisatsiooni väärtuseid on selle meetodiga uuritud ka varem, nt. Martin ja Powers (1991), Meyer (1995), Kramer ja Berman (2001) ning Arnold (2005). Meetod palub vastajal rääkida (või ka kirjutada) oma tegelikust tööalasest kogemusest, mis tema arvates kinnitab mingi väärtuse järgimist organisatsioonis või näitab, et antud väärtust praktikas eiratakse.

Uurimuses 2 keskenduti Tartu Ülikooli väärtustele ja andmestik moodustus 271-st intsidendist 237-lt Tartu Ülikooli erinevates teaduskondades õppivalt tudengilt. Uurimuses 4 võisid organisatsioonid jääda anonüümseks ning lõplik valim moodustus 198-st kriitilisest intsidendist, kus organisatsiooni karakteristikud (sektor, suurus) olid vaid üldjoontes ära toodud. Kõnealune andmestik koguti töötavatelt tudengitelt, kes õppisid Tartu Ülikooli Avatud Ülikooli majandusteaduskonna erinevates programmides. Valik tudengite valimi kasuks tehti mitmel põhjusel: esiteks oli enne andmete kogumist vaja vastajaid organisatsiooni väärtuste ja kriitiliste juhtumite tehnikaga kurssi viia, mida oleks tavatöötajatega olnud keeruline teha. Teiseks võimaldas tudengite valim koguda informatsiooni paljudest erinevatest organisatsioonidest, mis välistas organisatsioonispetsiifiliste tulemuste saamist uurimuses 4. Uurimuse 2 korral oli seevastu vajalik piirduda ühe organisatsiooniga ning siinjuures oli määravaks suur vastamise tõenäosus, mille tudengid annavad¹⁶.

¹⁶ Kriitiliste intsidentide tehnika üheks puuduseks loetakse madalat vastamise määra, sest juhtumite meenutamine ja kirjeldamine on aeganõudev.

Uurimuses 3 kasutati kahte küsimustikku. Esimene neist oli organisatsioonikultuuri küsimustik, mille töötasid välja Vadi *et al.* (2002) ja mis mõõdab kahte organisatsioonikultuuri orientatsiooni: suhetele orienteeritust ja ülesandele orienteeritust. Kuna väärtused on organisatsioonikultuuri keskseks elemendiks, siis kasutati antud küsimustikku väärtuste analüüsimise lähendina. Küsimustik koosneb 43 väitest, mida palutakse hinnata 10-pallisel Likerti skaalal. Kaheksa väidet võetakse aluseks suhetele orienteerituse mõõtmisel ja kaheksa ülesandele orienteerituse mõõtmisel. Antud küsimustik täideti organisatsioonide liikmete poolt. Teine küsimustik koostati autorite poolt, tuginedes Vastutustundliku Ettevõtluse Foorumi ja Äripäeva poolt koostatud küsimustikule ettevõtte ühiskondliku vastutuse indeksi arvutamiseks. Modifitseeritud küsimustik koosneb 21-st küsimusest, mis on jaotatud ettevõtte ühiskondliku vastutuse eri valdkondade vahel – strateegia, kogukonna huvidega arvestamine, looduskeskkonnaga arvestamine, töökeskkonna kujundamine ja käitumine turukeskkonnas. Küsimustik ettevõtte ühiskondliku vastutuse kohta saadeti 36-le organisatsioonikultuuri uuringus osalenud teenindusorganisatsioonile ning see saadi tagasi 17-lt organisatsioonilt. Erinevalt organisatsioonikultuuri küsimustikust täideti ettevõtte ühiskondliku vastutuse küsimustik organisatsiooni juhtkonna liikme poolt. Teenindusorganisatsioonid valiti uurimisobjektiks seetõttu, et just teenindussektor on Eesti sisemajanduse kogutoodangu mahus kõige olulisem, samuti on teenindusorganisatsioonide arv suurim, võrreldes teiste sektoritega Eestis. Vähetähtis polnud ka asjaolu, et just teenindusorganisatsioonid on Eestis tuntud oma ühiskondliku vastutuse initsiatiivide poolest (näiteks lõi Hanspank oma organisatsioonis isegi ühiskondliku vastutuse juhi ametikoha).

Kvantitatiivne andmeanalüüs teostati uurimuses 2, 3 ja 4. Uurimuse 3 puhul kasutati korrelatsioonanalüüsi (Pearson) ja olulisuse nivooks oli 5%. Kriitiliste intsidentide puhul oli tegemist vaid dihhotoomsete väärtustega ning nendes uurimustes kasutati Φ -korrelatsioone. Uurimuses 2 oli olulisuse tase 5% ja uurimuses 4 1%.

Põhitulemused ja järeldused

Käesoleva doktoritöö tulemusena tõi autor välja mitmed aspektid, mis senises väärtuspõhise juhtimise kirjanduses on käsitlemata või on vaid pealiskaudselt kajastamist leidnud. Väärtuspõhise juhtimise kontseptsiooni täiendas doktoritöö läbi selle, et näitas selgelt erinevate väärtustega seotud tegevuste omavahelist seotust. Seega ei ole väärtuspõhine juhtimine eristuvate faasidega protsess, mida saab samm-sammult rakendada, vaid terviklik lähenemine, kus tegevused ühes faasis mõjutavad kõiki teisi. Seetõttu andis autor ka omapoolse definitsiooni väärtuspõhisele juhtimisele, kuna eelnevad definitsioonid olid piiratumad.

Kuigi varasemad autorid on rõhutanud, et väärtuste ja praktika ühildamine on üks tugevamaid väärtuste kommunikeerimise viise, on seda käsitletud siiski eraldiseisva faasina. Käesolev töö näitab sellele lisaks, et ka väärtuste

formuleerimine ei saa toimuda ilma kommunikatsioonita ja seega läbib kommunikatsioon kogu protsessi. Lisaks sellele on väärtuste formuleerimise sisendiks organisatsiooni senine praktika, mistõttu võib väärtuspõhise juhtimise tegelikuks alguspunktiks pidada hoopis ühildamise faasi. Töö empiirilised tulemused on kokkuvõtlikult esitatud tabelis 2.

Tabel 2. Empiiriliste uurimuste tulemused uurimisväidete kaupa

Uurimisküsimused ja uurimisväited	Tulemus
1. uurimisküsimus: millised organisatsiooni sidusgrupid ja mil viisil peaksid olema kaasatud organisatsiooni väärtuste formuleerimisse?	
<i>P1a:</i> (Formuleerimata) väärtuste poolt enim mõjutatud organisatsiooni sidusgrupid on omanikud, juhid ja töötajad	Leidis kinnitust osaliselt
<i>P1b:</i> (Formuleerimata) väärtuste poolt enim mõjutatud sidusgrupid on intensiivsemalt s.o. konsulteerimise ja partnerluse kaudu kaasatud väärtuste formuleerimisse	Leidis kinnitust osaliselt
2. uurimisküsimus: mis mõjutab organisatsiooni väärtuste tajumist?	
<i>P2a:</i> Organisatsiooni väärtuste tajumist mõjutab vastaja seotus organisatsiooniga	Leidis kinnitust osaliselt
<i>P2b:</i> Organisatsiooni väärtuste tajumist mõjutab vastaja ametiaja pikkus organisatsioonis	Ei leidnud kinnitust
<i>P2c:</i> Organisatsiooni väärtuste tajumist mõjutab vastaja sugu	Leidis kinnitust osaliselt
<i>P2d:</i> Organisatsiooni väärtuste tajumist mõjutab vastaja poolt vaadeldava indiviidi positsioon organisatsioonis	Leidis kinnitust
3. uurimisküsimus: kuidas on organisatsiooni väärtused ja praktika (ettevõtte ühiskondliku vastutuse näitel) seotud?	
<i>P3a:</i> Kõrgema ühiskondliku vastutusega organisatsioonides on tugevam organisatsioonikultuur kui madalama ühiskondliku vastutusega organisatsioonides	Ei leidnud kinnitust
<i>P3b:</i> Kõrgema ühiskondliku vastutusega organisatsioonides domineerib suhetele orienteeritus	Ei leidnud kinnitust
4. uurimisküsimus: miks organisatsiooni väärtused ja praktika erinevad?	
<i>P4a:</i> Väärtused ja praktika erinevad avalikus ja erasektoris sarnasel määral	Ei leidnud kinnitust
<i>P4b:</i> Väärtused ja praktika erinevad sagedamini suurtes organisatsioonides	Ei leidnud kinnitust
<i>P4c:</i> Väärtused ja praktika erinevad sagedamini inimestega seotud intsidentide korral	Leidis kinnitust
<i>P4d:</i> Väärtused ja praktika erinevad ressursipuuduse tõttu	Leidis kinnitust
<i>P4e:</i> Väärtused ja praktika erinevad kommunikatsiooni puudumise tõttu	Ei leidnud kinnitust
<i>P4f:</i> Väärtused ja praktika erinevad pühendumise puudumise tõttu	Leidis kinnitust osaliselt
<i>P4g:</i> Väärtused ja praktika erinevad väärtuseid ignoreerivate organisatsiooni süsteemide tõttu	Leidis kinnitust
<i>P4h:</i> Väärtused ja praktika erinevad väärtuste sisemise kooskõla puudumise tõttu	Leidis kinnitust
<i>P4i:</i> Väärtused ja praktika erinevad idealistlike väärtuste tõttu	Leidis kinnitust

Allikas: autori koostatud

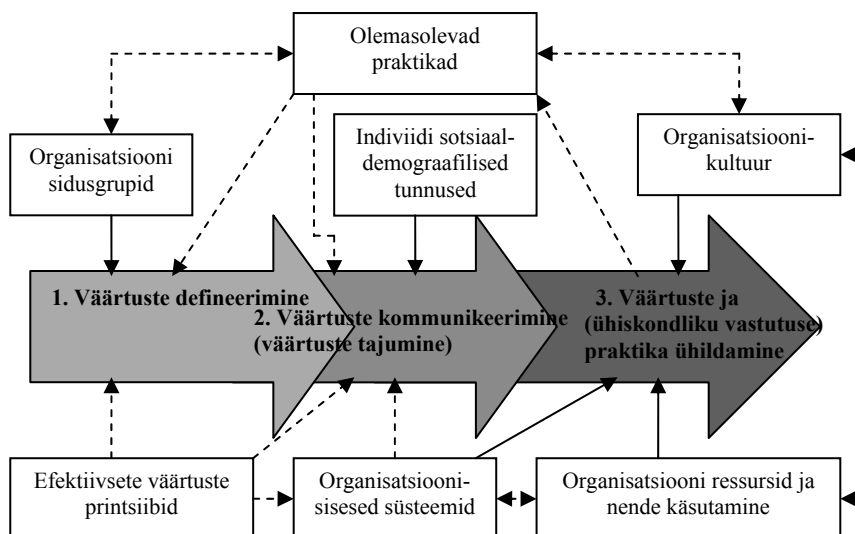
Lähemalt uuriti sidusgruppide kaasamist väärtuste formuleerimisesse. Leiti, et üldistatult on igal (äri)organisatsioonil viis sidusgruppi, kelle kaasamine väärtuste sõnastamisse võiks kõne alla tulla: omanikud, juhid, töötajad, kliendid ja strateegilised partnerid. Kaasamine jagati kolmeks astmeks: informeerimiseks, konsulteerimiseks ja partnerluseks, kus esimene tähistab ühesuunalist info edastamist (tavaliselt ülalt alla), teine hõlmab arvamuse küsimist ja selle ära kuulamist ning partnerluseks nimetatakse kaasotsustamist. Sidusgruppide teooria vaimus on loogiline järeldada, et kaasamise konkreetne aste sõltub otsuse mõjust sidusgrupile ja selleks analüüsiti väärtuste mõju eri sidusgruppidele.

Ilmnes, et omanikke ei saa väärtuste kontekstis käsitada ühtse sidusgrupina, kuna väärtuste sisu mõjutab oluliselt rohkem just strateegilisi omanikke. Siiski on väärtustest veel enam mõjutatud juhid ja töötajad ning seepärast võiks eeldada, et väärtused formuleeritakse kaasotsustamise vormis kõigi kolme sidusgrupi osavõtul. Eelnev konsulteerimine võtmeklientide ja strateegiliste partneritega võiks aga otsustajatele anda informatsiooni, mida väärtuste sõnastamisel on kasulik silmas pidada.

Kuigi uurimusest pangandusorganisatsioonide põhjal võib järeldada, et väärtuste mõju sidusgrupile on oluline faktor, mis määrab tema kaasamispraktika, on kaasamine tegelikkuses piiratud konsulteerimisega või püüdega seda teha. Nii näiteks on mõned töötajad (nn. arvamusiidrid) olnud väärtusteemaliste arutelude juures ja neil on olnud õigus sõna sekka öelda, kuid otsustamisel on osalenud vaid juhid ja/või omanikud. Partnerlust kasutatakse harva ja sedagi vaid juhtkonna ja omanike tasandil. Juhid, kes asuvad väärtuseid formuleerima, peaksid mõistma, et see protsess on keerukas ja hõlmata tuleks erinevaid sidusgrupe. Üks võimalus otsustada, keda ja kuidas kaasata, on analüüsida väärtuste mõju neile – mõnede sidusgruppidele lähevad organisatsiooni väärtused rohkem korda ja seepärast peaks neid intensiivsemalt kaasama, teisi jätab see ükskõikseks ja nende kaasamine ei ole seetõttu otstarbekas. Kokkuvõttes on teiseks organisatsiooni tasandi aspektiks, mis väärtuspõhise juhtimise protsessi mõjutab, **organisatsiooni sidusgrupid**, sh väärtuste mõju neile (vt joonis 4).

Töö ühe tulemusena selgus, et avalikus sektoris on rohkem probleeme väärtuste ja praktika ühildamisega, ja näidati, et selle põhjus seisneb väljakujunenud personalipoliitikas, mis organisatsiooni väärtuseid ei võta arvesse. Sellest järeldus, et väärtuspõhine juhtimine ei saa alati kulgeda traditsioonilist rada pidi, kus esimeseks sammuks on väärtuste formuleerimine ja viimaseks väärtuste ühildamine praktikaga. Eelkõige sellised organisatsioonid, kus on ette teada, et teatud praktikad ei ole mis tahes põhjusel muudetavad, peaksid väärtuspõhise juhtimise korral alustama hoopis eeldusest, et väärtused ja praktikad on kooskõlas, ning alles seejärel formuleerima need väärtused, mida praktikas rakendatakse. Seega võib öelda, et väärtuspõhise juhtimise protsessi mõjutavad **olemasolevad praktikad**, sh eriti organisatsiooni süsteemide jäikus. **Organisatsioonisisemed süsteemid** (kaebuste käsitlemine, edutamine, karistamine, premeerimine jpm) olid tihti põhjuseks, miks töötajad käitusid väärtustele

mittevastavalt. See näitab, kuivõrd sügavalt peab väärtuspõhine juhtimine olema organisatsioonis läbi tunnetatud ja kui keeruliseks on praktikas osutunud väärtuste ja praktika ühildamine.



Joonis 4. Väärtuspõhist juhtimist mõjutavad uuritud aspektid

Märkus: Pidevad nooled tähistavad empiirilisel analüüsitud nähtustevahelisi seoseid ning katkendlikud jooned teooriapõhiseid seoseid.

Allikas: autori koostatud

Ülalmainitud arvestades arutletakse doktoritöös võimaluse üle, et mitte kõik väärtused ei sobi väärtuspõhiseks juhtimiseks, kuna neid on keeruline või lausa võimatu integreerida värbamis- ja tulemushindamise süsteemiga. Näiteks on kirjanduses välja toodud, et *mitmekesisus* kui väärtus tekitab praktikas ettenägematuid probleeme, kuna töötajate arvates tuli selle kohaselt tunnustada eri rassi esindajaid võrdselt (Cha, Edmondson, 2006). *Läbipaistvus* on aga näiteks väärtus, mis vajab väga selget piiritlemist, et eri sidusgruppide huvid oleksid kaitstud (Griseri, 1995). Väärtuspõhise juhtimise kirjandus ei ole seni väärtuste sobilikkust või sobimatust antud vaatevinklist käsitletud; isegi vastupidi: väidetakse, et kontseptsiooni rakendamise edukus ei sõltu sellest, millised on konkreetsed väärtused organisatsioonis (Collins, Porras, 1994). Antud töö tulemusena jääb kõlama, et enne väärtuste formuleerimist tuleks siiski väga selgelt läbi mõelda, kas ja kuidas on neid võimalik organisatsiooni süsteemides arvesse võtta ning millised on need väärtused, mida olemasolevad süsteemid juba toetavad.

Väärtuspõhist juhtimist mõjutab see, kuivõrd efektiivsed on formuleeritud väärtused juhtimisinstrumentina. Loomulikult on kõige olulisem, et väärtused oleksid siirad ja väljendaksid organisatsiooni tegelikku olemust, kuid lisaks sellele tuleks järgida veel mõningaid printsiipe (vt ka tabel 3). Töös jõuti

järeldusele, et väärtused peaksid reguleerima viise, kuidas eesmärgi saavutada (nn tugiväärtused), mitte eesmärgi endid. Just tugiväärtustel on vahetu seos organisatsiooni igapäevase tegevusega, seevastu väärtused kui eesmärgid või ideaalid tekitavad omajagu probleeme. Ühest küljest võib ideaalide kommunikeerimine suurendada organisatsiooni atraktiivsust, kuid et nende järgimine praktikas on keeruline, tekitab see pettumust ning silmakirjatsemise omistamist. Samuti on ideaali raske siduda organisatsiooni süsteemidega, sest ideaali saavutamiseks on enamasti mitu moodust ning mitte kõik ei pruugi olla organisatsioonis aktsepteeritavad. Seepärast võib väärtus kui ideaal olla ebapiisavaks juhiseks, kuna arvesse tuleb võtta muidki asjaolusid. Samas ei tohiks väärtused olla ka liigselt operatiivse tegevusega seotud, sest strateegiate ja taktikate muutmine võib osutada vajalikuks, kuid väärtuste muutmine on keerulisem. See tähendab, et väärtused peaksid olema kohaldatavad nii hetkesituatsioonis kui ka tulevikus.

Tugiväärtuseid võib sõnastada ja lahti mõtestada nii käitumuslikust aspektist kui iseloomu aspektist ja siinkohal tuleks eelistada iseloomu reguleerivaid väärtuseid, mis ei aegu nii kiiresti kui käitumisele esitatavad nõuded ning on paindlikumad. Kuigi ka tugiväärtused on idealiseeritavad, nt *hoolivus* õenduses esitab inimesele kindlasti suuremad nõudmised kui sama väärtus tööstusettevõttes, peab igas organisatsioonis konkreetse väärtuse oodatavas tasemes kokku leppima ja nii muutuvad ideaalid organisatsioonispetsiifilisteks väärtusteks.

Organisatsiooni väärtuste teemalise kirjanduse sünteesist järeldus, et laias laastus võib väärtused jagada kolmeks: organisatsiooni ellujäämisega seotud väärtused (*efektiivsus, kasumlikkus, ettevaatlikkus, kuulekus, kord* jms), eetikaga seotud väärtused (*ausus, hoolivus, lojaalsus, viisakus* jms) ning heoluga seotud väärtused (*loovus, initsiatiiv, areng, vabadus* jms). Väärtuspõhine juhtimine, mille eesmärk on saavutada paremaid tulemusi läbi töötajate suurema motivatsiooni ja pühendumuse, lõikab kasu eelkõige eetilistest ja heolu väljendavatest väärtustest. Samas tuleb jälgida, et väärtused oleksid sisemiselt kooskõlalised. Lühidalt mõjutab väärtuspõhise juhtimise protsessi see, kuivõrd on järgitud **printsipe**, mis teevad formuleeritud väärtustest tõhusa juhtimisvahendi – töötajate iseloomu reguleerimine, eetika ja heoluga seondumine, nende sisemine kooskõlalisus ning optimaalne idealistlikkus.

Organisatsiooni väärtused laiemas mõttes, mitte ainult formuleerituna, on tihedalt seotud organisatsioonikultuuriga ja töö teoreetilises peatükis demonstreeriti lisaks ka ettevõtte ühiskondliku vastutuse tihedat seotust väärtustega. See võimaldas empiirilisel kontrollida organisatsioonikultuuri ja ühiskondliku vastutuse seoseid Eesti teenindusorganisatsioonide näitel ja eeldati, et organisatsioonikultuuri tugevus ja vastutustundlikkus on positiivselt seotud. Kahjuks oli positiivne seos statistiliselt ebaoluline, selle põhjuseks võib olla valimi väiksus (17 organisatsiooni). Teiseks hüpoteesiks oli, et vastutustundlikumates organisatsioonides domineerib suhetele orienteeritus, kuid see ei leidnud kinnitust. Nii nagu Reino (2009) leidis oma doktoritöös, et teenindusorganisatsioonid iseloomustab üldiselt inimsuhete organisatsioonikultuuri tüüp, nii oli ka käesolevas

uurimuses suhetele orienteeritus teenindusorganisatsioonidele omane sõltumata vastutustundlikkuse määrast. Siiski võis täheldada, et suhetele orienteerituse määr oli vastutustundlikkuse ja selle elementidega tugevamalt seotud kui ülesandele orienteeritus.

Sellest järeldus, et teenindusorganisatsioonides ei ole suhetele orienteeritus ainuüksi organisatsioonisisene nähtus, vaid see hõlmab ka väliseid sidusgrupe. Teeninduse eripäraks on aga, et tähelepanu väliste sidusgruppide suhtes teenib organisatsiooni peamist ülesannet – olla heaks partneriks oma klientidele. Tõepoolest, suhetele ja ülesandele orienteerituse omavaheline korrelatsioon oli uuritavas valimis tähelepanuväärselt kõrge. Samale tulemusele jõudis oma uuringus Gittel (2002), kes näitas, et teenindusorganisatsioonidel, kes väärtustavad häid suhteid teiste sidusgruppidega turul, on kõrgemad kliendirahuolu ja –lojaalsuse näitajad. Ka Schneider (2000) väidab, et teenindusorganisatsioonide psühholoogilist elu jagavad ühtviisi kõik osapooled organisatsiooni sees ja väljas. Kokkuvõttes saab öelda, et aspekt, mis mõjutab väärtuste ja praktika ühildumist ettevõtte ühiskondliku vastutuse näitel teenindusorganisatsioonides, on **organisatsioonikultuur**, eeskätt suhetele orienteeritus.

Organisatsioonisiseseid aspekte analüüsid leiti ka, et väärtuspõhises juhtimises on kriitiline roll ressursside olemasolul ja nende käsutamise õigusel töötaja tasandil. Väärtuste ja praktika ühildamise edukuse määras tihti see, kas väärtuste järgimiseks oldi valmis lisaressursse panustama või lausa otsesest kahju kannatama. Töös tõdeti, et Eesti organisatsioonides on ressurssidega seotud otsused suuresti juhtide pädevuses ning seetõttu ei ole töötajatel tihti võimalustki väärtustele vastavalt käituda. Väärtuspõhise juhtimise kontseptsiooni kohaselt peavad aga kõik organisatsiooni liikmed käituma väärtustele vastavalt, mitte ainult juhid ise. See omakorda tähendab, et töötajatele peab olema antud õigus väärtuste elluviimiseks ressursside kasutada ja kuigi võimustamine on teema, mida sellealases kirjanduses kohtab (nt. Speculand, Chaudhary, 2008), on soovitud abstraktsed ja nende rakendamise tagajärgi praktikas ei ole uuritud. Lühidalt võib antud aspekti kokku võtta kui **organisatsiooni ressursid ja nende käsutamine** – väärtuspõhine juhtimine nõuab nii ressursside kui ka seda, et nende kasutamise õigus oleks organisatsiooni hierarhias delegeeritud võimalikult alla.

Teades, et väärtuspõhine juhtimine eeldab ressursside ja töötajate võimustamist ressursside kasutamiseks, tekib huvitav küsimus kontseptsiooni mõjust organisatsiooni finantstulemuslikkusele. Kuigi väärtuspõhise juhtimise kontseptsioon põhineb ideel, et tugev kultuur mõjutab organisatsiooni tulemuslikkust positiivselt, on tegemist efektiga, mida ei ole kõrvutatud selle juurutamiseks nõutavate kuludega. Samuti ei ole seda seost enamasti ajalisel piiritletud (erandiks on siin nt. Brønn *et al.*, 2006) ja kui Blanchard ja O'Connor (1997) mõönavad, et väärtused nõuavad tihti raskeid ja rahaliselt kahjulikke otsuseid, siis võib oodatav positiivne mõju organisatsioonile avalduda alles pärast pikki aastaid (kui üldse). Antud töö tulemusena võib selgelt väita, et väärtuspõhise juhtimisega kaasnevad teatud kulud ja mõnikord tuleb seda

kontseptsiooni rakendaval organisatsioonil lühiajaline kasumlikkus väärtustele ohvriks tuua.

Antud doktoritöö tõi esile mõned indiviidi tasandi **sotsiaaldemograafilised tunnused**, mis väärtuspõhise juhtimise juures tähtsust omavad. Kirjanduses väärtuspõhise juhtimisest käsitletakse indiviide kui üksteisega sarnaseid manipuleeritavaid subjekte ja kuigi väärtuste kommunikatsiooni peetakse oluliseks, on kogu käsitus sõnumi saatja keskne. “Selle asemel, et alustada sõnumi saatjast ja tema eesmärgist, peaksime alustama hoopis vastuvõtjast ning tema vajadustest ning teadatahtmistest.” (Kelly, 2000: 94). See tsitaat on ülimalt kohane, teades, kui tähtis on väärtuste tajumine kogu väärtuspõhise juhtimise protsessis. Antud töös uuriti soo, organisatsiooniga seotuse määra ja ametiaja kestuse mõju väärtuste tajumisele.

Uudne tulemus seoses organisatsiooni väärtuste tajumisega sõltuvalt vastaja soost puudutas üht konkreetset väärtust: *innovatsioon ja areng*. Kui üldiselt võis eeldada, et meessoost vastajad on organisatsiooni väärtuste suhtes kriitilisemad, siis sellisel kujul see kinnitust ei leidnud, küll aga olid nad kriitilisemad selles osas, mis puudutas uuenduslikkuse rakendamist praktikas. Seega võib öelda, et *innovatsioon* on väärtus, mille osas on meestel ja naistel erinev arusaam ja ootused ning kui organisatsioon seda oma väärtusena deklareerib, tuleb selle tähendust täpsemalt kommunikeerida ja rakendamist tähelepanelikumalt jälgida.

Vastaja seotus organisatsiooniga mõjutab olemasoleva kirjanduse põhjal väärtuste tajumist, kuid antud töös oli vastaja seotusel väga spetsiifiline tähendus. Et uuriti tudengeid, oli võimalik seotust analüüsida lähtuvalt sellest, kas tudeng tasus ise oma õpingute eest (sellisel juhul peeti seotust suuremaks) või õppis ta riigieelarvelisel kohal (seotus väiksem). Ilmnes, et õpingute eest ise tasuvad tudengid tajusid *hariduse kvaliteeti* kui ülikooli üht väärtust teistega võrreldes veidi positiivsemalt. See võib olla ostujärgse ratsionaliseerimise efekt (Connelly, Zeelenberg, 2002), kuid seletuse võib leida ka sotsiaalse vahetuse teooriast ning väärtuspõhise juhtimise seisukohast on see märksa intrigeerivam. Selle teooria kohaselt valitseb indiviidi suhetes teistega (sh organisatsioonidega) kulude ja tulude tasakaal. Kui indiviidile pakutakse suuremaid tulusid, on ta valmis omalt poolt ka rohkem panustama (nt. aega, raha, energiat). Kui aga indiviidi kulud suhete hoidmiseks suurenevad, peab ta sellest saama suuremat tulu, et neid kulusid õigustada, või lahkub ta antud suhtest.

Väärtuspõhise juhtimise kontekstis võib püstitada hüpoteesi, et organisatsiooni väärtused võetakse paremini omaks nende poolt, kes peavad organisatsiooniga suhetes olemiseks rohkem panustama. Kui see seos edaspidistes uuringutes kinnitust leiab, näitaks see selgelt, et organisatsiooni väärtuste näol on tegemist psühholoogilise kasuga indiviidi jaoks. Mattila (2007) poolt läbi viidud juhtumiuuring viitab sellele: kui organisatsioon väärtustega ei tegelenud, koostas allüksus töötajate initsiatiivil endale oma väärtused. See seletaks, miks väärtuspõhine juhtimine on elujõuline kontseptsioon ja autori arvates toob see teadliku rakendamise korral kasu nii organisatsioonile kui töötajatele.

Alljärgnevas tabelis on ära toodud konkreetsed soovitusel juhtidele. Tabelis on toodud ka konkreetsed tulemused ja teoreetilised peatükid või uurimused, millele ettepanekud tuginevad (vt. tabel 3).

Tabel 3. Ettepanekud väärtuspõhise juhtimise edukamaks rakendamiseks

Doktoritöö tulemus	Peatükk/ uurimus	Ettepanek
Väärtuspõhise juhtimise etapid on üksteisega seotud.	Ptk. 1.1.	Rakenda väärtuspõhist juhtimist terviklikult, mitte üksikute etappide kaupa.
Efektiivsed väärtused reguleerivad viise tulemuste saavutamiseks, mitte tulemusi.	Ptk. 1.2	Formuleeri väärtused, mis vastavad küsimusele, kuidas organisatsiooni eesmäärke soovitakse saavutada.
Efektiivsed väärtused väljendavad ootuseid organisatsiooni liikmete iseloomu (hoiakute) kohta.	Ptk. 1.2	Formuleeri väärtused, mis väljendavad pigem soovitud hoiakuid kui konkreetset käitumist.
Eetilised ja heaoluga seotud väärtused on ellujäämisega seotud väärtustest efektiivsemad.	Ptk. 1.2	Eelista eetika ja heaoluga seonduvaid väärtuseid organisatsiooni ellujäämisega seotud väärtustele.
Organisatsiooni sidusgrupid võivad organisatsiooniti erineda.	Uurimus 1	Kaardista sidusgrupid lähtuvalt organisatsiooni spetsiifikast.
Väärtused mõjutavad eri sidusgrupe erinevalt.	Uurimus 1	Hinda väärtuste mõju eri sidusgruppidele.
Sidusgrupi kaasamine väärtuste formuleerimisse sõltub väärtuste mõjust antud sidusgrupile.	Uurimus 1	Kaasa väärtuste poolt enim mõjutatud sidusgrupid väärtuste formuleerimisse partnerluse, so kaasotsustamise vormis.
Väärtuseid tajutakse positiivsemalt, kui vastaja seotus organisatsiooniga läbi tema omapoolse panuse on suurem.	Uurimus 2	Väärtuste omaksvõtu edendamiseks otsi võimalusi sidusgrupi poolse panuse (aeg, raha, pingutus) suurendamiseks organisatsiooni heaks.
Meessoost vastajad on kriitilisemad väärtuse <i>innovatsioon ja areng</i> järgimise suhtes.	Uurimus 2	Pööra eraldi tähelepanu <i>innovatsiooni</i> väärtuse kommunikatsioonile ja selle rakendamise võimalustele tegelikkuses.
Teeninduses laieneb suhetele orienteeritus ka välistele sidusgruppidele.	Uurimus 3	Ettevõtte ühiskondliku vastutuse suurendamiseks teeninduses soodusta suhetele orienteeritud organisatsioonikultuuri.
Väärtused ja praktika erinevad väärtuseid ignoreerivate organisatsiooni süsteemide tõttu.	Uurimus 4	Hoolitse, et formuleeritud väärtused oleksid sisemiste süsteemidega kooskõlas. Kui süsteeme muuta ei saa, formuleeri väärtused vastavalt süsteemidele; kui saab, muuda need väärtuseid toetavateks.

Doktoritöö tulemus	Peatükk/ uurimus	Ettepanek
Organisatsiooni praktika erineb väärtustest sisemiselt vastuoluliste väärtuste tõttu.	Uurimus 4	Kontrolli võimalikke vastuolusid formuleeritud väärtustes ning püüa nendest vabaneda.
Organisatsiooni praktika erineb väärtustest idealistlike väärtuste tõttu.	Uurimus 4	Analüüsi väärtuste kooskõla olemasolevate, aga ka tulevikus tõenäoliselt kohaldatavate strateegiatega.
Strateegia muutust tõlgendatakse väärtuste rikkumisena.	Uurimus 4	Selgita väärtuste tähendust ja vajalikkust uue strateegia või situatsiooni kontekstis.
Organisatsiooni praktika erineb väärtustest, kuna vaid juhtidel on ligipääs ressurssidele.	Uurimus 4	Anna töötajatele õigus kasutada väärtuste elluviimiseks organisatsiooni ressursse.
Organisatsiooni praktika erineb väärtustest, kuna sisemised süsteemid ei toeta väärtuseid.	Uurimus 4	Tunnusta süsteemselt väärtustest lähtuvat käitumist või püüet seda teha.
Töötajad tajuvad väärtuseid järgituna, kui juht isiklikult on intsidendiga seotud.	Uurimus 4	Formuleeri väärtused lähtuvalt juhi minevikus tehtud valikutest ning ametialasest käitumisest, mida ta ise pidevalt demonstreerib.

Allikas: autori koostatud

Antud doktoritööga püüti avada tähtsamaid aspekte, millega arvestamine on vajalik väärtuspõhise juhtimise rakendamisel. Selgus, et väärtuste formuleerimise juures on oluline arvestada nii organisatsiooni senise praktikaga kui ka olulisemate sidusgruppidega. Väärtuste kommunikeerimisel tuleb kasuks teadmine, et indiviidide seotus organisatsiooniga nende omapoolse panuse näol mõjutab väärtuste omaksvõtmist positiivselt, kuid et teatud väärtuseid tajutakse erinevalt sõltuvalt vastaja soost. Väärtuste ja praktika ühildamisel on olulisemateks mõjutajateks organisatsiooni senine praktika, sisemised süsteemid, väärtuste omadused ja ressursside olemasolu ning käsutusõigus. Suhetele orienteeritud organisatsioonikultuur on seotud ettevõtte ühiskondliku vastutusega eelkõige teenindussektoris.

Soovitusi tulevasteks uuringuteks

Väärtuspõhise juhtimise teema edasiseks uurimiseks on mitmeid suundi ja mooduseid. Doktoritöö autor toob alljärgnevalt välja vaid mõned valdkonnad, mis on tema arvates kõige olulisemad, et väärtuspõhise juhtimise efektiivsust praktikas suurendada.

Väärtuste formuleerimine on edasist juhtimisprotsessi oluliselt mõjutav faas, mis vajab sügavat uurimist. Formuleerimiseks on erinevaid viise, kuid ilmselt kehtivad teatud seaduspärasused, mis on tingitud organisatsiooni

suurusest ja tegevusvaldkonnast. On selge, et avaliku sektori organisatsioonide sidusgrupid ja suhe nendega on erinev võrreldes äriorganisatsioonidega. On näiteks viidatud, et konsensuse saavutamine ja sidusgruppide kaasamise määr strateegilistesse otsustesse on oluliselt suurem kolmandas sektoris (Cumming, 2001, Lewis *et al.*, 2001), kuigi McCourt (2007) leiab, et selline protsess ei ole oma olemuselt väärtuspõhise juhtimise ideega kooskõlas, kuna sidusgruppide väärtused on erinevad ja konsensuse otsimine viib organisatsiooni pigem väärtustest eemale. Võib väita, et väärtuste formuleerimise seaduspärasuste kohta puudub nii teooria kui ka empiirika. Et formuleerimist loetakse väärtuspõhise juhtimise esimeseks sammuks, on see kontseptsioonist huvitatud organisatsioonide jaoks suure praktilise tähtsusega.

Väärtuste formuleerimisse kaasatud sidusgruppide rahulolu nii kaasamisprotsessi kui selle tulemusega vajab põhjalikumat uurimist, seda eelkõige erinevate kaasamismeetodite tõhususele hinnangu andmiseks. Samuti valitseb olemasolevas kirjanduses tühimik selles osas, mis näitaks, kas ja mille poolest erinevad organisatsioonide poolt formuleeritud väärtused tulenevalt sidusgruppide kaasamisest või mittekaasamisest. Kaasamist puudutavad tehnilised küsimused ei ole samuti vähetähtsad: näiteks ilmnes antud töös, et kliente küll sooviti väärtuste formuleerimisse kaasata, kuid ei leitud sobivat meetodit selle elluviimiseks praktikas. Klientide kaasamise olulisust rõhutatakse ka kirjanduses (Blanchard, O'Connor, 1997; Gotsi, Andriopoulos, 2006; Whitley, Whitley, 2007), kuid puudub ühtne seisukoht, kuidas seda täpselt tegema peaks.

Kuigi väärtuste tajumine on valdkond, mida on uuritud küllalt põhjalikult, lisas käesolev doktoritöö ühe aspekti, mida eelnevad uuringud ei ole kajastanud. Nimelt demonstreeriti vastaja poolt organisatsiooniga lävimiseks tehtavate kulude ning väärtuste omaksvõtu seost. Mõistagi tuleb siinkohal tähelepanelik olla põhjuslikkuse suhtes (on loomulik, et inimesed on valmis rohkem organisatsiooni nimel panustama, kui nad tajuvad selle väärtuseid enda jaoks positiivsena), siis mõlemasuunalise seose kinnitamine annaks olulist teavet sotsiaalse vahetuse teooria paikapidavuse kohta väärtuspõhise juhtimise kontekstis. Uurimata valdkond väärtuste tajumise juures on indiviidiväliste tegurite mõju, nt. konkurentsituatsioon, organisatsiooni maine ja tulemuslikkus, olukord tööturul jne.

Edasistes uuringutes tuleks suuremate valimite põhjal analüüsida organisatsiooni väärtuste ja ettevõtte ühiskondliku vastutuse seoseid. Kvantitatiivsetele meetoditele lisaks võiksid ka kvalitatiivsed uuringud anda uut teavet selle kohta, mis tüüpi väärtustel on ühiskondliku vastutusega otsene seos ja mis mõjutavad seda vaid kaudselt (kui üldse), ning kuidas need väärtused konkreetset ühiskondlikult vastutustundlikus käitumises avalduvad. Uurimist vajaks organisatsiooni tulemuslikkuse roll väärtuste ja ettevõtte ühiskondliku vastutuse kujunemisel – on see pigem väärtuste ja vastutustundlikkuse eelduseks või selle kõrvalnähuks – ning kas Eesti organisatsioonid erinevad siin millegi poolest organisatsioonidest mujal maailmas.

Kirjandus väärtuspõhisest juhtimisest peaks sügavamalt avama väärtuskonfliktide teemat ning näitama sellega toimetulemise võimalusi. Seni on see

käsitlemist leidnud peamiselt ärietiika valdkonnas. Kuigi väärtuste sisemine kooskõla on väidetavalt oluline, ei ole välja pakutud kindlat viisi, kuidas seda kooskõla saavutada. Ka väärtuste väline kooskõla on globaliseerivas ja võrgustuvas ärimaailmas aktuaalne teema – nt. on siiani vähe uuritud, milline on korporatsiooni väärtuste suhe lokaalselt tegutsevate organisatsioonide väärtustesse või kas ja kuidas toimub väärtuste ühtlustamine ühinemiste ja ülevõtmiste korral või organisatsioonide pikaajalise koostöö korral.

Lõpetuseks võib välja tuua väärtuspõhise juhtimise kuluspekti kui seni suuresti tähelepanuta jäänud valdkonna. On ilmne, et väärtuspõhise juhtimise korral tuleb organisatsioonil panustada nii materiaalseid kui mittemateriaalseid ressursse, alates väärtuste formuleerimiseks pühendatud ajast ja lõpetades finantsilises mõttes kasuliku, kuid väärtustega mitte kooskõlas oleva tehingu ärajätmisega. Seni on vaatluse all olnud vaid väärtuspõhise juhtimise tulupool ja siingi ei ole alati võimalik tuvastada, et tulemuste paranemine on seotud just väärtustega (Wilderom *et al.*, 2000). Nii positiivse kui negatiivse mõju hindamine organisatsiooni finantstulemustele (ja mitte ainult) tasakaalustaks arusaama väärtuspõhise juhtimise kontseptsioonist. Niisamuti vajaks kirjandus häid juhtumianalüüse väärtuspõhise juhtimise ebaõnnestumiste kohta. Siiani domineerivad kontseptsiooni rakendanud organisatsioonide edulood, kuid teadmised läbikukkumistest annaksid juhtidele kaalutletumat inspiratsiooni väärtuspõhist juhtimist rakendada.

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Foreign languages: English, Swedish, Finnish, Russian

Employment:

2009–to date Extraordinary researcher (0,5), Faculty of Economics and Business Administration, University of Tartu
2008–2009 Researcher, Centre for Applied Research CentAR
2007–2008 Extraordinary researcher (0,1), Faculty of Economics and Business Administration, University of Tartu
2003–2008 Lecturing at University of Tartu
2005–2006 Visiting researcher, Centre for Policy Studies PRAXIS
2000–2005 Development coordinator, Bank of Estonia
1999–2000 Economics training manager, Bank of Estonia
1991–1992 Secretary (0,5), Tallinn Secondary Science School

Main research interests: Organisational culture, organisational values, management, employee participation

Academic work:

1) Projects:

2009–to date Member of the research project “The Path Dependent Model of the Innovation: Development and Implementation in the Case of a Small Country”, Estonian Ministry of Education and Research, project No. SF0180037s08.
2008–to date Participation on the Leonardo da Vinci project “Transfer of innovative teaching-learning experiential methods for management education”, No. LLP-LdV-TOI-2008-LT-0028.
2007 – to date Member of the research project “Service Organisations from the Perspective of Organisational Behaviour: Some Influencing

- Factors and Trends”, awarded by the Estonian Science Foundation, grant No. 7018.
- 2006–2007 Participation in the project “Innovation Education”, (INNOEDU), Estonian Science Foundation, measure 1.1.
- 2003–2006 Member of the research project “Organisational Culture in Estonia: National and International Aspects”, Estonian Science Foundation, grant No. 5527.

2) Editing and reviewing:

- 2009 Reviewer of the conference articles for *IV International Conference on Management Theory and Practice: Synergy in Organisations*, 3–4 April 2009, Tartu, Estonia.
- 2008 Reviewer of the article submitted to *Social Responsibility Journal* (Emerald Publishing Ltd)
- 2007 Reviewer of the conference articles for *III International Conference on Management Theory and Practice: Synergy in Organisations*, 3–4 April 2007, Tartu, Estonia.
- 2006–to date Supervision of student thesis (successfully defended)
- MA level (2, co-supervised)
 - MBA level (2)
 - BA level (4)
- Reviewing
- MA level (2)
 - MBA level (1)
 - BA level (3)
- 2006 Reviewer of the article submitted to *Human Relations* (SAGE)
- 2005 Reviewer of the articles submitted to the compendium “National and International Aspects of Organizational Culture” (Tartu University Press)

3) Teaching

- 2008 – to date Master seminar (MBA level)
- 2007 – to date Strategic Management (BA and MBA level)
- 2006 – to date Motivation (MBA level)
- 2006 – to date Organisational Culture and Change Management (BA and MBA level)
- 2006 – to date Participating in defense committees (BA level)
- 2004 – to date Organisational Behaviour (BA level)

Continuing education:

- 11.2009 ecch: Introduction to Case Teaching, Vilnius, Lithuania
- 03.2009 ecch: Introduction to Case Writing, Tartu, Estonia
- 03.2008 SELF II: Psychodrama, Tartu, Estonia
- 11.2004 Czech National Bank: Exchange of experience in the field of e-learning, Prague, Czech Republic

- 04.2003 PARE: Personnel management conference “Valuable organisation”, Tartu, Estonia
- 09.2002–05.2003 SELF II: Trainer’s certificate, Tartu, Estonia
- 11.2001 SELF II: Improving interviewing skills, Maardu, Estonia
- 05.2001 SELF II: Improving self-assertiveness, Tallinn, Estonia
- 05.2001 De Nederlandsche Bank: Human Resources Management, Amsterdam, The Netherlands
- 05.2000 Bank of England: Course for central bank training managers, London, UK

Administrative work experience:

- 2009–to date Secretary of the Estonian Trainers’ Association
- 2009 Member of the organising committee of the *IV International Conference on Management Theory and Practice: Synergy in Organisations*, 3–4 April 2009, Tartu, Estonia.
- 2007 Member of the organising committee of the *III International Conference on Management Theory and Practice: Synergy in Organisations*, 3–4 April 2007, Tartu, Estonia.
- 2005–2006 Member of the organising committee of *10th International Conference on Work Values and Behavior (ISSWOV)*, 22–25 June 2006, Tallinn, Estonia
- 1999–2004 Member and chairperson (2001) of the team of training managers, Estonian Banking Association

Training experience:

- 03.2009 Rakvere City Government: “Developing teamwork and organisational culture” (together with Made Torokoff)
- 08.2008 Summer School, Open University, University of Tartu: “Efficient communication in organisation” (together with Anne Reino)
- 01.2008 Ministry of Education and Science: “Work motivation” (together with Anne Reino)
- 11.2007 Järvamaa County Centre for Development: “Self-regulation and management of relationships” (together with Anne Reino)
- 10.2007 National Audit Office of Estonia, III department: “Work motivation” (together with Anne Reino)
- 08.2007 Summer School, Open University, University of Tartu: “Motivation” (together with Anne Reino)
- 06.2007 ENTEDU: “Managing group processes”
- 05.2007 National Audit Office of Estonia, V department: “Work motivation” (together with Anne Reino)
- 11.2006 Office of Research and Institutional Development, University of Tartu: “Groups and their management”
- 08.2006 Summer School, Open University, University of Tartu: “Motivation” (together with Anne Reino and Prof. Maaja Vadi)

- 02–03.2006 Eesti Põlevkivi Ltd. “Development of employees and motivation” (together with Anne Reino)
- 03.2006 Tallinn Central Library: “Managing by Values in the organisation”
- 02.2006 Rocca al Mare School: “Development discussions and counselling” (together with Kristel Jalak)
- 02.2006 Tartu Health Care College: “Organisational values, culture and emotional intelligence” (together with Anne Reino and Elina Tolmats)
- 10.2005 Rocca al Mare School: “Development discussions and counselling” (together with Ülle Velt)
- 08.2005 Summer School, Open University, University of Tartu: “Motivation” (together with Anne Reino and Prof. Maaja Vadi)
- 08.2003 Audentes University: “Training of trainers” (together with Ann Seilenthal)
- 05.2003 SELF II: “Motivation” (together with Kairi Kübarsepp)
- 04.2003 Estonian Ministry of Justice: “Motivation” (together with Kairi Kübarsepp)

CURRICULUM VITAE IN ESTONIAN

Nimi: Krista Jaakson
Sünniaeg ja -koht: 1. oktoober 1974, Tallinn
Kodakondsus: Eesti
Amet: Erakorraline teadur (0,5), Tartu Ülikooli majandusteaduskond
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Haridus:

2003– Tartu Ülikooli doktorant
1998–1999 MSc, ärijuhtimine, Stockholmi Ülikool
1993–1998 BA, majandusteadus (erialad turundus ja majandusprotsesside modelleerimine), Tartu Ülikool
1989–1993 Tallinna Reaalkool
1982–1989 Tallinna 55. Keskkool (täna Järveotsa Gümnaasium)

Võõrkeeled: inglise keel, rootsi keel, soome keel, vene keel

Teenistuskäik:

2009– Erakorraline teadur (0,5 kohta), Tartu Ülikooli majandusteaduskond
2008–2009 Analüütik, Rakendusuuringute Keskus CentAR (tähtajaline leping)
2007–2008 Erakorraline teadur (0,1 kohta), Tartu Ülikooli majandusteaduskond
2003–2008 Õppeülesannete täitja Tartu Ülikoolis (ained organisatsioonikäitumine, organisatsioonikultuur, motivatsioon, strateegiline juhtimine)
2005–2006 Külalisuurija, Poliitikauuringute Keskus PRAXIS (tähtajaline leping)
2000–2005 Arenduskoordinaator, Eesti Pank
1999–2000 Majanduskoolitusjuht, Eesti Pank
1991–1992 Sekretär (0,5 kohta), Tallinna Reaalkool

Peamised uurimis-

valdkonnad: organisatsioonikultuur, organisatsiooni väärtused, juhtimine, töötajate kaasamine

Akadeemiline tegevus:

1) Projektid:

2009– Uurimisprojekti “Innovatsioonisüsteemi rajasõltuvust arvestava mudeli loomine ja rakendusmehhanismi väljatöötamine väikeriigi näitel” liige, Eesti Haridus- ja Teadusministeerium, projekt nr. SF0180037s08.

- 2008– *Leonardo da Vinci* projekti “Transfer of innovative teaching-learning experiential methods for management education” nr. LLP-LdV-TOI-2008-LT-0028 liige
- 2007– Uurimisprojekti “Teenindusorganisatsioonid organisatsioonikäitumise vaatenurgast: mõned tegurid ja arengusuunad”, liige Eesti Teadusfondi grant nr. 7018 raames.
- 2006–2007 Osalemine projektis “Innovatsiooniõppe arendus”, (INNOEDU), Eesti Teadusfondi meede 1.1.
- 2003–2006 Uurimisprojekti “Organisatsioonikultuur Eestis: rahvuslikud ja rahvusvahelised aspektid” liige, Eesti Teadusfondi grant nr. 5527 raames.

2) Toimetamine ja retsenseerimine:

- 2009 4. rahvusvahelise konverentsi “*Management Theory and Practice: Synergy in Organisations*” (toimus 3.–4. aprillil 2009 Tartus) artiklite retsensent ja sektsioonijuht.
- 2008 Retsensent artiklile ajakirjas *Social Responsibility Journal* (Emerald Publishing Ltd)
- 2007 3. rahvusvahelise konverentsi “*Management Theory and Practice: Synergy in Organisations*” (toimus 3.–4. aprillil 2007 Tartus) retsensent
- 2006– Kaitsmiseni jõudnud üliõpilaste juhendamine
- MA tase (2 üliõpilase kaasjuhendamine)
 - MBA tase (2 üliõpilast)
 - BA tase (4 üliõpilast)
- Retsenseerimine
- MA tase (2 üliõpilast)
 - MBA tase (1 üliõpilane)
 - BA tase (3 üliõpilast)
- 2006 Retsensent artiklile ajakirjas *Human Relations* (SAGE)
- 2005 Retsensent artiklitele monograafias “*National and International Aspects of Organizational Culture*” (Tartu Ülikooli Kirjastus)

3) Õppetöö

- 2008– Magistriseminar (MBA tase)
- 2007– Strateegiline juhtimine (BA ja MBA tase)
- 2006– Motivatsioon ja motiveerimine (MBA tase)
- 2006– Organisatsioonikultuur ja muutuste juhtimine (BA ja MBA tase)
- 2006– Kaitsmiskomisjonides osalemine (BA tase)
- 2004– Organisatsioonikäitumine (BA tase)

Täiendõpe:

11.2009	ecch: <i>Introduction to Case Teaching</i> , Vilnius
03.2009	ecch: <i>Introduction to Case Writing</i> , Tartu
03.2008	SELF II: Psühhodraama kursus, Tartu
11.2004	Tšehhi Keskpank: <i>Exchange of experience in the field of e-learning</i> , Praha
04.2003	PARE: Personalijuhtimise konverents “Väärtuslik organisatsioon”, Tartu
09.2002–05.2003	SELF II: Koolitaja-suhtlemistreeneri sertifikaat, Tartu
11.2001	SELF II: Intervjuerimisoskuste treening, Maardu
05.2001	SELF II: Enesekehtestamisoskuste treening, Tallinn
05.2001	Hollandi Keskpank: <i>Human Resources Management</i> , Amsterdam
05.2000	Inglise Pank: <i>Course for central bank training managers</i> , London

Administratiivne tegevus:

2009–	Eesti Suhtlemistreenerite Ühingu asjaajaja
2009	4. rahvusvahelise konverentsi “ <i>Management Theory and Practice: Synergy in Organisations</i> ” (toimus 3.–4. aprillil 2009 Tartus) korraldustoimkonna liige
2007	3. rahvusvahelise konverentsi “ <i>Management Theory and Practice: Synergy in Organisations</i> ” (toimus 3.–4. aprillil 2007 Tartus) korraldustoimkonna liige
2005–2006	ISSWOV 10. rahvusvahelise konverentsi <i>Work Values and Behavior</i> (toimus 22.–25. juunil 2006 Tallinnas) korraldustoimkonna liige
1999–2004	Eesti Pangaliidu koolitusjuhtide toimkonna liige ja juhataja (2001)

Koolitustegevus:

03.2009	Rakvere Linnavalitsus: “Koostöövõimekus ja organisatsioonikultuuri arendamine” (koos Made Torokoff’ga)
08.2008	Suvekool, Tartu Ülikooli Avatud Ülikool: “Mõjus suhtlemine organisatsioonis” (koos Anne Reino’ga)
01.2008	Eesti Haridus- ja Teadusministeerium: “Töömotivatsioon” (koos Anne Reino’ga)
11.2007	Järvamaa Arenduskeskus: “Enese ja suhete juhtimine” (koos Anne Reino’ga)
10.2007	Riigikontrolli III osakond: “Töömotivatsioon” (koos Anne Reino’ga)
08.2007	Suvekool, Tartu Ülikooli Avatud Ülikool: “Motivatsioon ja motiveerimine” (koos Anne Reino’ga)
06.2007	ENTEDU: “Grupiprotsesside modereerimine”

- 05.2007 Riigikontrolli V osakond: “Töömotivatsioon” (koos Anne Reino’ga)
- 11.2006 Tartu Ülikooli teadus- ja arendusosakond: “Grupid ja nende juhtimine”
- 08.2006 Suvekool, Tartu Ülikooli Avatud Ülikool: “Motivatsioon ja motiveerimine” (koos prof. Maaja Vadi ja Anne Reino’ga)
- 02–03.2006 AS Eesti Põlevkivi: “Töötajate arendamine ja motiveerimine” (koos Anne Reino’ga)
- 03.2006 Tallinna Keskraamatukogu: “Väärtuspõhine juhtimine organisatsioonis”
- 02.2006 Rocca al Mare Kool: “Arenguestlus ja nõustamine” (koos Kristel Jalak’ga)
- 02.2006 Tartu Tervishoiukõrgkool: “Organisatsiooni väärtused, kultuur ja emotsionaalne intelligentsus” (koos Anne Reino and Elina Tolmats’ga)
- 10.2005 Rocca al Mare Kool: “Arenguestlus ja nõustamine” (koos Ülle Velt’ga)
- 08.2005 Suvekool, Tartu Ülikooli Avatud Ülikool: “Motivatsioon ja motiveerimine” (koos prof. Maaja Vadi ja Anne Reino’ga)
- 08.2003 Audentese Ülikool: “Koolitajakoolitus” (koos Ann Seilenthal’ga)
- 05.2003 SELF II: “Motivatsioon” (koos Kairi Kübarsepp’ga)
- 04.2003 Eesti Justiitsministeerium: “Motivatsioon” (koos Kairi Kübarsepp’ga)

DISSERTATIONES RERUM OECONOMICARUM UNIVERSITATIS TARTUENSIS

1. **Олев Раю.** Экономическая ответственность и ее использование в хозяйственном механизме. Tartu, 1994. Kaitstud 20.05.1991.
2. **Janno Reiljan.** Majanduslike otsuste analüütiline alus (teooria, metodoloogia, meetodika ja meetodid). Tartu, 1994. Kaitstud 18.06.1991.
3. **Robert W. McGee.** The theory and practice of public finance: some lessons from the USA experience with advice for former socialist countries. Tartu, 1994. Kaitstud 21.06.1994.
4. **Maaja Vadi.** Organisatsioonikultuur ja väärtused ning nende vahelised seosed (Eesti näitel). Tartu, 2000. Kaitstud 08.06.2000.
5. **Raul Eamets.** Reallocation of labour during transition disequilibrium and policy issues: The case of Estonia. Tartu, 2001. Kaitstud 27.06.2001.
6. **Kaia Philips.** The changes in valuation of human capital during the transition process in Estonia. Tartu, 2001. Kaitstud 10.01.2002.
7. **Tõnu Roolaht.** The internationalization of Estonian companies: an exploratory study of relationship aspects. Tartu, 2002. Kaitstud 18.11.2002.
8. **Tiia Vissak.** The internationalization of foreign-owned enterprises in Estonia: An extended network perspective. Tartu, 2003. Kaitstud 18.06.2003.
9. **Anneli Kaasa.** Sissetulekute ebavõrdsuse mõjurite analüüs struktuurse modelleerimise meetodil. Tartu, 2004. Kaitstud 15.09.2004.
10. **Ruth Alas.** Organisational changes during the transition in Estonia: Major influencing behavioural factors. Tartu, 2004. Kaitstud 22.12.2004.
11. **Ele Reiljan.** Reasons for de-internationalization: An analysis of Estonian manufacturing companies. Tartu, 2004. Kaitstud 25.01.2005.
12. **Janek Uiboupin.** Foreign banks in Central and Eastern European markets: their entry and influence on the banking sector, Tartu, 2005. Kaitstud 29.06.2005.
13. **Jaan Masso.** Labour Reallocation in Transition Countries: Efficiency, Restructuring and Institutions, Tartu, 2005. Kaitstud 7.11.2005.
14. **Katrin Männik.** The Impact of the Autonomy on the Performance in a Multinational Corporation's Subsidiary in Transition Countries, Tartu, 2006. Kaitstud 29.03.2006.
15. **Andres Vesilind.** A methodology for earning excess returns in global debt and currency markets with a diversified portfolio of quantitative active investment models, Tartu, 2007. Kaitstud 13.06.2007.
16. **Rebekka Vedina.** The diversity of individual values and its role for organisations in the context of changes, Tartu, 2007. Kaitstud 16.11.2007.
17. **Priit Sander.** Essays on factors influencing financing decisions of companies: risk, corporate control and taxation aspects, Tartu, 2007. Kaitstud 19.12.2007.
18. **Kadri Ukrainski.** Sources of knowledge used in innovation: an example of Estonian wood industries. Tartu, 2008. Kaitstud 22.04.2008.

19. **Kristjan-Olari Leping.** Heterogeneity of human capital and its valuation in the labour market. Tartu, 2008. Kaitstud 14.05.2008.
20. **Kadri Männasoo.** Essays on financial fragility – evidence from the corporate and banking sectors in Central and Eastern Europe. Tartu, 2008. Kaitstud 26.05.2008.
21. **Made Torokoff.** Patterns of learning organisation – Estonian experiences. Tartu, 2008. Kaitstud 30.06.2008.
22. **Helena Rozeik.** Changes in ownership structures, their determinants and role in the restructuring of enterprises during transition: evidence from Estonia. Tartu, 2008. Kaitstud 31.10.2008.
23. **Jaanika Meriküll.** Technological change and labour demand. Tartu, 2009. Kaitstud 19.05.2009.
24. **Anne Aidla.** The impact of individual and organisational factors on academic performance in estonian general educational schools. Tartu, 2009. Kaitstud 18.06.2009.
25. **Alexander Gofman.** Experimentation-Based Product Development in Mature Food Categories: Advancing Conjoint Analysis Approach. Tartu, 2009. Kaitstud 21.09.2009.
26. **Anne Reino.** Manifestations of organizational culture based on the example of Estonian organizations. Tartu, 2009. Kaitstud 06.11.2009.