

Personal Values As Predictors Of Perceived Organizational Values - Implications For Recruiters

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INTRODUCTION

The scientific study of human values has a long history. **Allport, Vernon and Lindzey (1970)** were among the first social scientists who gave the value concept a more concrete meaning. These authors linked values to ordinary activities such as reading newspapers, watching movies or voting and designed a typology of values. **Rokeach's (1973; 1979)** work, however, brought about a shift in the thinking from the idea of a typology of values as a fixed and a stable element to values as a guiding principle in life, which transcend specific situations, may change over time, guide selection of behavior and are part of a dynamic system. Values are drivers of behavior (**Rokeach, 1973**), including workplace behavior (**Schwartz, 1994**). **Dose (1997)** observes that '*so much of our time is spent in a working environment that work values are particularly significant and salient*' (p. 236). Once embraced, values become standards of importance (**Gellermann, Frankel, & Ladenson, 1990**). They also serve as criteria for making decisions and setting priorities and lie behind the explanations and justifications that are given for ones' actions. Unlike constructs such as attitudes and opinions, values are relatively permanent, although capable of being changed under certain conditions. **Jones & Gerard (1967)** explain value stability by noting that people experience some discomfort or deprivation in acquiring values and thus, values acquire stability because individuals develop attachments to the things they have undergone discomfort to acquire.

Several researchers have examined the link between values and behavior. Values are believed to have a substantial influence on the affective and behavioral responses of individuals (**Locke, 1976; Rokeach, 1973**), and changing values are frequently evoked as explanations for employee problems in the workplace (**Nord, Brief, Atieh, & Doherty, 1988**), and increase in unethical business practices (**Mitchell & Scott, 1990**). At the organizational level, values are viewed as a major component of organizational culture (**O'Reilly & Chatman, 1996; Schein, 1985**), and are often described as principles responsible for the successful management of a number of companies (e.g., **Mitchell & O'Neal, 1994**). **Rokeach (1979)** characterized values as "*the most distinctive property or defining characteristic of a social institution*" (p. 51). Organizations do not really possess values apart from the values of their members. Thus, it may be said that organizational values are shared among the individual members of the organization. Shared values are a major component of an organization's culture (**O'Reilly & Chatman, 1996**). However, the values of organizations and their members are not always in alignment.

Several researchers investigated the concept of congruence between personality and situational variables and its effect on behavior. **Fiedler's leadership theory (1967, 1978)**, **Holland's (1985) theory of vocational choice**, **Hackman & Oldham's (1980) job characteristics model** are but a few examples of the theoretical work that has been based on the idea that characteristics of the person and job interact to determine such things as job choice, satisfaction and employee well-being (**Edwards, 1994**). Furthermore, **Natarajan and Nagar (In press)** established that value congruence indeed influences job choice decision. One fundamental characteristic that both employees and organizations share is values. It is easy to generate examples to show that individuals would be more comfortable in an environment that is consistent with their values. A person who values honesty and integrity working in an

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organization that believes in '*getting the job done at all costs*' will not be very comfortable. In all likelihood, the result of placing people in situations at odds with their personal values will not be positive for either the employee or the organization. Not only could employees' well-being be at risk, but it is also possible that they would be less devoted to the organization and possibly less productive. Researchers have used many different methods of measuring value congruence. One of the least complicated methods employed is to simply ask respondents to estimate the extent their values are similar to those of the other (e.g., Posner, Kouzes & Schmidt, 1985). However, this method is based on several assumptions that the respondent (a) knows what values are, (b) knows what the relevant values are, (c) knows his or her own values, (d) knows the values of the other, and (e) is able to compare these sets of values to produce an overall assessment of their similarity. Accordingly, some researchers, gave the meaning of values and / or the value dimensions upon which to judge differences (Enz, 1988), but this method still assumes that values can be accurately measured without the aid of a values instrument, and that respondents can accurately assess the extent their values are similar to those of the others. These concerns have been addressed in two additional methodologies: (a) having respondents' complete two identical value instruments, one on themselves and the second "*according to the values of the other*" (e.g., Feather, 1979), and (b) having respondents complete a value instrument on themselves and using independent assessments to determine the values of the other on the same dimensions (e.g., Chatman, 1991). Although the former technique raises questions of whether a person can accurately estimate the values of the other, both techniques restrict respondents to a particular set of values and impose a common measurement methodology on all respondents. Based on this advocacy, researchers have been using Feather's (1979) method to measure the value congruence (e.g. Finegan, 2000; Gupta, 2009; Ghosh, 2010) and linking it to behavioral outcomes such as organization commitment and concluded that perceived organizational values are significant predictors of commitment, more than personal values or the congruence between personal and organizational values. However, the area that has not been examined is the influence of personal values on the perception of the organizational values itself. Since individual values influence behavior and behavior in turn is preceded by perception of the stimuli / situation, personal values must also be playing a significant role in the way the organizational values are perceived. The present study aims to examine if personal values influence the perception of organizational values.

METHOD

✿ **Respondents :** Questionnaires were distributed to 220 employees of a large public sector organization. All the 220 people returned the completed questionnaire, yielding a return rate of 100%. The respondents were drawn from all the departments and included both male and female employees to maintain heterogeneity of sample.

✿ **Measures :** To measure values, the scale constructed by McDonald & Gandz (1991, 1992) was used. This scale comprised of 24 items and was found to be having a test-retest reliability of .76, and the inter-rater reliability of .77. Both the convergent and discriminant validity are also very high. The respondents were asked to read each of the 24 personal values one by one and record their response for each value on a 7 point scale. A response of 1 would mean that the value under consideration was not at all important for the respondent as a guiding principle in life and a response of 7 would mean that the value under consideration was very important for the respondent. To examine the organizational values, the respondents were asked to read each of the same 24 values one by one and record their response for each value on a 7-point scale based on how they perceive this value being promoted in their organization. A response of 1 would mean that the value under consideration is not at all promoted, and a response of 7 would mean that the value under consideration is very highly promoted.

✿ **Procedure :** The questionnaires were distributed to the group, which normally comprised of 10 to 15 subjects in each department in each location. The respondents were encouraged to clarify doubts, if any, before responding to any of the items. They were also assured that their responses will be kept confidential and will be used for academic purposes only and that their responses cannot be traced back to them. Respondents were then asked to read the instructions carefully and were told that there was nothing like a right or wrong answer to any of the questions.

RESULTS

✿ **Principle Component Factor Analysis :** To determine how different values could be grouped into higher-order

categories, a principal component factor analysis, with a varimax rotation was run on the 24 personal-value ratings. The resulting solution displayed eight factors with eigenvalues greater than 1, accounting for 66.56% of the variance, with the individual factors contributing 15.08, 9.59, 8.56, 8.55, 6.65, 6.55, 6.40 and 5.16% of the variance, respectively. The items with the highest rotated factor loadings were summed together to define a component scale. The subscales are briefly described below.

✿**Factor 1: Harmony** : Items with high loading on this factor were characterized by a feeling of harmony with the environment. The items that defined this factor were humor, consideration, courtesy, cooperation, forgiveness, formality and social equality. The coefficient alpha was .81 for the personal and .79 for the organizational values.

✿**Factor 2: Justice** : Items with high loading on this factor were characterized by a feeling of fairness and justice. The items that defined this factor were fairness, openness, logic and moral integrity. The coefficient alpha was .67 for personal and .87 for organizational values.

✿**Factor 3: Bottom-Line** : The third scale summed the ratings for adaptability, diligence and economy, which were more to do with economic / bottom-line aspects of an organization. The coefficient alpha was .57 for personal values and .36 for organizational values.

✿**Factor 4: Progress**: The fourth scale summed the ratings of broad-mindedness, creativity and development and labeled 'Progress'. The coefficient alpha was .56 for personal and .78 for organizational values.

Table 1 : Correlations Of The Various Components Of Personal Values With Organizational Values For Total Sample (N=220)

Personal Values	Organizational Values							
	Harmony	Justice	Bottom-Line	Progress	Conservative	Orderliness	Leadership	Freedom
1. Harmony	.299**	.423**	.191**	.219**	.016	.294**	-.016	-.115
2. Justice	.209**	.052	.178**	.010	.310**	.319**	.187**	.001
3. Bottom-Line	.112	-.093	.379**	.159*	.233**	.299**	.006	.196**
4. Progress	.250**	.072	.318**	.220**	.302**	.246**	.249**	.170*
5. Conservative	.226**	.273**	.211**	.275**	.248**	.333**	.131	.046
6. Orderliness	.194**	-.036	.150*	.021	.268**	.319**	.066	.117
7. Leadership	.197**	.047	.244**	.169*	.277**	.196**	.243**	.262**
8. Freedom	.109	-.104	.027	.001	.250**	.103	.074	.195**

** . Correlation significant at 0.01 level (2-tailed).

* . Correlation significant at 0.05 level (2-tailed).

Table 2 : Stepwise Regression Analysis of Personal Values Predicting Perceived Organizational Values For Total Sample (N=220)

Personal Values	Organizational Values							
	Harmony	Justice	Bottom-Line	Progress	Conservative	Orderliness	Leadership	Freedom
1. Harmony	.256**	.400**	.142*	-	-.244**	-	-	-
2. Justice	-	-	-	-	.239**	.216**	-	-
3. Bottom-Line	-	-	.324**	-	-	.198**	-.141*	-
4. Progress	.141*	-	.182**	.180**	.202**	.240**	.231**	-
5. Conservative	-	.157*	-	.242**	.237**	-	-	-
6. Orderliness	-	-.162**	-	-	.149*	.161*	-	-
7. Leadership	.150*	-	-	-	-	-	.229**	.262**
8. Freedom	-	-	-	-	.151*	-	-	-

Vales presented are standardized regression coefficient (betas).

** p<.01; * p< .05

✿ **Factor 5: Conservative:** The fifth scale summed the ratings of cautiousness, experimentation and obedience and was labeled 'conservative'. The coefficient alpha was .44 for person values and .34 for organizational values.

✿ **Factor 6: Orderliness:** The sixth scale included only one item i.e. orderliness and was thus labeled 'orderliness'.

✿ **Factor 7: Leadership:** The seventh scale summed the ratings for aggressiveness and initiative, and was thus labeled 'leadership' with coefficient alpha .41 for personal and .47 for organizational values.

✿ **Factor 8: Freedom :** The eighth scale summed the rating of a single item i.e. autonomy and labeled 'freedom'.

The inter-correlation of personal values with perceived organizational values is given in Table 1. It is seen that all factors of personal values are significantly and positively correlated with factors of perceived organizational values. From this, it could be said that personal values of an employee have a positive influence on how they perceive the organization and hence, they are important to organizations.

Results of step wise multiple regression analysis is presented in the Table 2. It is seen that perception of organizational values is predicted by factors of personal values. Factor harmony of personal values explains most if the variance in case of organizational value factors of harmony and justice, bottom-line - explaining bottom-line, conservative explaining progress, justice explaining conservative, progress explaining orderliness and leadership explaining freedom.

DISCUSSION AND RELEVANCE OF THE STUDY

The results are significant from recruitment and HRM point of view, when seen from **Schwartz and Bardi's (2001)** values theory which established a general human preference for benevolence. The regression results show that factor harmony of personal values predicted most of the variance of factors - harmony and justice of the perceived organizational values. This means a person who attaches greater importance to factor harmony, which includes the values of humor, consideration, courtesy, cooperation, forgiveness, formality and social equality, will also perceive the organization to promote factors harmony and justice. The values included in these factors more or less maps with Schwartz and Bardi's category of benevolence. Furthermore, **Finegan (2000) and Ghosh (2010)** established that perceived organizational values of humanity (factor benevolence of Schwartz & Bardi) predicted organizational commitment. From this, it can be inferred that employees attaching greater importance to factor humanity will perceive the organization to also promote this value and thus, will exhibit greater organizational commitment. In this sense, it can also be said that perceived organizational values is more of a mediator between the personal values and outcome behaviors such as commitment, job satisfaction.

Typically, Indian organizations, while recruiting employees, ascertain person-job fit in terms of knowledge and skills, ignoring the more important dimension of person-organization fit in terms of values (**Natarajan & Nagar, 2010**). The result of this study is significant. Since personal values predict the perception of organizational values, which in turn predicts organizational commitment, it would be relevant to ascertain the value preference of prospective employees before taking a hiring decision.

LIMITATIONS

Though the study has its limitations, it has opened up new avenues for further research. This study can be criticized, firstly for the fact that only one organization was studied and consequently, the values of that organization may be coincidentally similar to the general human preference for benevolence. Secondly, reliabilities of some of the sub-scales of values were very less, and this calls for re-examination of the value structure itself based on a larger sample. Another criticism of this study might be that common method variance may be inflating the correlations between personal and organizational values. Common method variance, in this case, refers to the problem that occurs when the same participants measure both personal and organizational values using the same type of paper-and-pencil response format. The correlation between the measures will be higher than it ideally should be, because participants will apply the same biases to each task. In fact, because the formats for generating the value profile of the individual and the organization were the same, common method variance may be a particular problem for interpreting person x organization interactions.

CONCLUSION

In sum, it could be said that personal values influences the way one perceived the environment. In the work setting, the personal values of an employee will influence the way the employee perceives the organizational values. Since the personal values have a significant and positive correlation and emerged as predictors of perceived organizational values, it is relevant to ascertain the value preference of a prospective employee before taking a hiring decision. Given more than one successful candidate in the initial rounds of employment selection process, the one who attaches the highest preference for values of harmony must be preferred over the others.

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