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## Editorial

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# Why did the rose wither? If it is all about values, let's discuss them

## EDITORIAL

Marjo Siltaoja, Assistant Editor

*That which we call a rose by any other name  
would smell as sweet*  
Romeo and Juliet (II, ii, 1-2)

During the past couple of years we have witnessed one of the most severe global economic recessions. The question has frequently been asked, who should we blame for this catastrophe? Was it the housing markets, financial institutions and bankers, governments or academics? All of the aforementioned actors have received their share of attention in the search for the culprits. In this editorial, instead of pointing a finger at a particular group or institution, let us have a look at what it eventually is all about, namely people and their values. Thus, the question remains how to continue to promote ethical values in business life and societies overall?

In business as well as in other areas of life people have certain values, beliefs, ideologies and attitudes when they perform actions, and these are often simply referred to as *values*<sup>1</sup> (Sharfman et al., 2000). According to the definition by Schwartz<sup>2</sup> (1999, 24) *Values are conceptions of the desirable that guide the way social actors (e.g. organizational leaders, policy-makers, individual persons) select actions, evaluate people and events, and explain their evaluations and actions.* Yet people do not act or choose their values in a vacuum; perceptions and behaviour are not only influenced by their own personal value priorities, but the social value priorities of a group often connect people who are behaving in similar ways (Rohan, 2000).

Values often have a strong connotation with ethics. What we consider desirable is also our conception of what is good or bad. Values are further considered as rather enduring while it is attitudes that can change quickly. Yet our own values are rarely static or the same throughout our lives. Socialization processes and education have an important role in how we come to understand and define

our own values. The multidimensional importance of values is clearly stated by Rokeach (1973, 5).

*Values are determinants of virtually all kinds of behaviour that could be called social behaviour or social action, attitudes and ideology, evaluations, moral judgements and justifications of self and others, comparison of self with others, presentations of self to others, and attempts to influence others.*

Values in business are not a new field of study; they seem to be linked to nearly everything from interconnectedness between national values and organizational behavior to organizational performance, strategic competence, management ethics and organizational identity. A rather recent phenomenon has been the explicit definitions of corporate values on websites and annual reports. This phenomenon was originally more common in US companies but has steadily spread to Europe and across the world. Since the 1990's, this enthusiasm in defining organizational values has been followed by an interest in codes of ethics. However, as studies (and common sense) have shown, explicit values are not the same as the implicit values that actually guide our actions. If it were so, Enron's values (1998) of *respect, integrity, communication and excellence* should have prevented their catastrophic misbehaviour. And this applies to many other companies before and after Enron.

Indeed, business is an intriguing field for an exploration of value; do we mean issues than can be considered value-adding and beneficial, for example in monetary terms? Or do we mean human values, the principles guiding human actions (e.g. Allport, 1961). These two sides of the coin can be understood as complementary: if an organization has values that help people to achieve and understand common goals and the way things should be done for the desired goal, it can increase organizational commitment, efficiency, the ethical climate and good monetary

<sup>1</sup> Concepts such as values and beliefs seem to imply something desirable and esteemed, whereas attitudes and ideologies refer to characteristic ways in which individuals or even organisations respond based, perhaps partially, on those values and beliefs (Sharfman et al., 2000, 145).

<sup>2</sup> Schwartz has presented several definitions, all of which are quite similar. Other definitions in the field of social psychology can be found from e.g. Rokeach, 1973.

value (Kidron, 1978; Mathieu and Zajac, 1990). Yet the question remains: who determines organizational values and does everyone understand them in the same way?

This issue of EJBO includes three articles that tackle important questions related to values. Viinamäki (2009) points out the difficulty of leadership in putting ethical values into practice. He shows how values-based leadership can be complementary to other leadership approaches. This is a challenge we do need to focus on more, as the current era has shown. What is the point of having values or codes of ethics if we do not consider them worth pursuing? In the spirit of codes of ethics, Stevens (2009) examines a major investment bank. She emphasizes that the very act of creating a code is not only a strategic process but also reflects the values of the organization. Thus, codes of ethics also communicate to employees what kinds of values the company is striving for, and insufficient understanding of this has adverse effects. Hellöre and Vikström (2009) study how certain values are embedded in media articles on sustainable development. They point out how messages of sustainable development often imply a self-interested focus on the part of the businesses. The paper also has practical relevance that could be examined in other contexts.

Though previous research has suggested excellent recommendations for further research on values in business (see e.g. Agle and Caldwell, 1999), I would like to take this opportunity to propose some future directions. Clearly, one of the challenges in

studying values is that studies of values often use questionnaires that focus on people's responses about how *they would act* in a particular situation, but the response does not necessarily apply in any given situation. The responses can rather highlight the institutionalized norms of a culture or things that people appreciate and consider preferable but do not necessarily act upon. Fortunately, there are also other ways in scientific research of approaching this dilemma, some of which can be mentioned here. First, one can study language use as *an action in itself* and examine how certain values are, for example, discursively produced, resisted or institutionalized. Second, instead of conforming to the idea of studying what we should do in the sense of a normative approach, we could learn far more by focusing on what people actually do. One can take a more longitudinal and behavioural approach to examine what people have actually done and what kind of values these acts and decisions represent and manifest. Third, more critically oriented approaches could examine the explicit value statements as a form of managerial control or how people within organizations can (il)legitimize their orientation towards organizational values.

We hope you find these articles thought-provoking and that they stimulate discussion about values and ethics in 21st century business. Above all we should not forget that values are not fixed or static through our lives but can be taught and encouraged to develop in more ethically sustainable directions. This is an interesting and important field in which much remains to be done.

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