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From Tools to Social Construction of Organizational Reality

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From Tools to Social Construction of Organizational Reality: Studying Value Dissemination in three Case Companies

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Abstract

Values and value management are extremely important nowadays in the companies. As thought, each organization works better when it is constantly kept in mind what is essential. Management's role in value processing is crucial: they have to show the example to employees by acting due values. In this study the managerial roles in value dissemination and especially the personnel's experiences about the processes are studied. Being big projects which require a lot of investments from the firm, evaluation of these value processing projects are of importance. The aim of this paper is to study value processing in three different organizations (forest industry, banking and market). The special focus is on the management: what is the role of management in value processing? Data is gathered by interviewing personnel in the head office and at the local level in all three companies with multiple managerial hierarchical levels. The case companies are an international, exchange-rated forest company, a cooperative bank and a cooperative market. In all three companies values were "made" in the head office and then disseminated locally. Each company has their own way of performing the process, and management has central role in this. The aim of this study is to introduce personnel's experiences about the value process and especially about the managerial roles in value dissemination.

Keywords

values, organizational culture, strategies, value management

1 Introduction

Values and value management are considered extremely important nowadays in companies. Big consultancy projects with a lot of investment are run in this area. Each organization works better when it is constantly kept in mind what is essential. Values are valuable in value processing. Value can be viewed e.g. as "a type of belief, centrally located within one's total belief system, about how one ought or ought not to behave, or about some end-state of existence worth or not worth attaining" (Rokeach 1972, p.124). Values are the connecting thought, which determine the direction of organization's actions: "who we are and where do we want to go - supported by our common values" (Mattila & Aaltio 2004).

This study concentrates on the social and discursive construction of values in organizations. The aim of this research is to study this more closely at company level: what kinds of processes lie behind value management and how words and deeds encounter. Key words in this research are e.g.: values, value management, ethics and moral.

One main theme in this study is the argumentation about value management in organizations. Values are part of our everyday lives, both at home and at work. But still, the phenomenon seems quite difficult to really understand. Especially in the empirical findings of this study it can be seen that values as a phenomena mean different things to different people. The main problem seems to be the congruence and unity in organizational values. Since every individual has little different understanding about values, it makes value management even more complicated. The challenge towards superiors and managers is huge, but possible to accomplish, through will and values.

Values and value processes are needed in every organization nowadays. World is changing and companies have to have something to "keep it together". Typically mergers and acquisitions require value

change. Organizational values, which are approved and used by every employee in a company, could be the crucial thread. The biggest and most crucial challenge is the feasibility of the value process. Value management is a common term in today's organizations. But can values be managed? What is the management's role in value processing and how the personnel experience these processes? What are the results and how they can be "measured" or even interpreted at the company level? These questions are approached in this paper.

In this research there are three case companies (forest industry, bank and market) and their value processes: how people experience companies values, how values have been disseminated etc. It is studied how values are processed in different companies and especially how individuals in different hierarchical levels experience value processing. Data is gathered by interviewing personnel in the head office and at the local level in all three companies with multiple managerial hierarchical levels. In all three companies values are "made" in the head office and then disseminated locally. Each company has its own way of performing the process. One of the most interesting issues is personnel's experiences and opinions about the value process. Interviewees from different hierarchical levels make the study extremely intriguing.

As happened, in all three case companies there was an intention at the head office to determine the values of the local case-company and disseminate them "down" in the hierarchy. It is studied what kind of social constructive processes emerge while disseminating values from the head offices to the local levels. It is further studied especially how people experience companies' values in both places, at the head office and at the local level, how the "value makers" describe values and their values, and how management and personnel in different levels of the organization speak and experience values and value dissemination.

2 The Interpretative Paradigm in Social Theory

Burrell and Morgan (1998) have presented four paradigms for analyzing social theory: radical humanist, radical structuralism, interpretive and functionalist paradigm. The four paradigms define fundamentally different perspectives for the analysis of social phenomena. They approach this endeavor from contrasting standpoints and generate quite different concepts and analytical tools. The paradigms offer means for identifying the basic similarities and differences between different theorists and the underlying frame of reference which they adopt. The paradigms also provide tools for mapping intellectual journeys in social theory.



Figure: Four Paradigms for the Analysis of Social Theory

The paradigm in this particular study is the interpretive paradigm. Due Burrell and Morgan (1998) the interpretive paradigm emphasizes that the social world is nothing more than the subjective construction of individual human beings who, through the development and use of common language and the interactions of everyday life, may create and sustain a social world of intersubjectively shared meaning. The social world is thus an essentially intangible nature and is in a continuous process of reaffirmation or change. The interpretive sociologists have sought to show how the supposedly hard, concrete, tangible and "real" aspects of organizational life are dependent upon the subjective constructions of individual human beings.

Due Parker (2000,70) the interpretive paradigm stresses the local nature of cultural processes and, in reducing the object of enquiry to actor level phenomenon, its epistemology cautions against any conception of a system, however open or negotiated. The proper objects of study are symbols, languages, actions and so on – hence we could refer to actors' understandings of a system but should be careful not to confuse them with our own. (Ibid 2000)

Due Burrell and Morgan (1998) the interpretive paradigm is orientated to obtaining an understanding of the subjectively created social world "as it is", in terms of an ongoing process. It sees the social world as an emergent social process, which is created by the individuals concerned. This is the main aspect in this study also: the social construction of values in organizations, based on the personnel's experiences.

3 Introducing Case Companies

This study is a multiple case-study which consists of three cases. The case companies were chosen from different business sectors. This was done because the aim was to get case-companies from different areas of business, so that the comparison between companies and their value processes could be done. The

forest company, a bank and a market company were chosen for further research. The aim was to get a more thorough knowledge and understanding about values and value processing in companies.

Company A is a forest company. It's has a long history as a family business before several mergers and internationalization. The local mill has become dependent to the head office (in Helsinki) through several mergers. Nowadays it is an exchange-listed company.

Company B operates in bank business. The head office is in Helsinki. This bank-group consists of several local banks and is cooperative.

Company C operates in market business. It is also a cooperative company. The head office is in Helsinki and different local corporations operate in their own provinces.

Due the empirical part it can be said that company A takes values straight from the head office, company B takes also head office's values, but works a lot during dissemination (with the staff), and company C makes own, local values keeping the head office's values in the background.

4 Processing values: individual's experiences in different hierarchial levels

Ethical values can evolve as deliberated process, after top management or other members of organization have decided that values must be processed. Despite the means how the need for value processing has emerged, top management has to be truly committed in the process. After that total commitment can be processed through the whole organization. In this section the personnel's opinions about value processing in their companies are introduced.

Due Crane (2004, 172) the management and organizational studies literatures have effectively demonstrated that the deliberate management of culture is a difficult, lengthy process, which is rarely successful except at very superficial levels. Indeed, there has been precious little empirical evidence in the literature that provides wholesale support for the claim that culture can indeed be managed in the realm of ethical behaviour. Existing cultural beliefs and values about what is right or wrong tend to be very resistant to change (Crane 2001, 673-96).

The value process has many targets: e.g. ruling change, make customer relationships better, improving working environment, helping decision making, developing management culture and adding value knowledge. In merger situations values are often considered, like in the forest case-company. (Aaltonen and Junkkari 1999, 232-233)

The company A (forest) : Values as an option to rules

The company had "usual" reasons for starting value process: the top management wanted to create a common organizational culture after several mergers, internationalization and changes. Something had to be done to keep it together. Values were given and taken straight to the local level.

Manager, local level:

"The reason (for valueprocessing) was of course the fast dis-tention of the company... From Finnish forest company to an international corporation... there has to be some cornerstones. And with these values the cornerstone has been built."

Values are said to be the corner stone especially in new, surprising situations in organizations. "Wherever there is uncertainty, a common vision and shared values can allow commitment and unity to be sustained for longer than might otherwise

be the case.” (Coulson-Thomas 1992, 18)

Top manager (the head office):

“We were trying to create, and we still are trying to create a common organizational culture. That we could define who we are, how we work, how we behave in this company. The idea behind the values process was to keep the company together: values are like a glue which keeps us together. We can't write down all the rules and orders. We have to trust our people”

Without organizational values organization members will, by default, follow their individual systems. These may or may not promote behaviour that the organization finds desirable. Therefore organizations establish values to provide their members guidelines for behaviour. Organizational values provide the framework for the organizational culture.

Values are considered crucial in nowadays changing world. Corporations grow, merger and internalize all the time. For a larger organization, where desired behaviour is being encouraged by different individuals in different places with different sub-groups, an articulated statement of values can draw the organization together (www.teal.org/uk 31.1.-05) There can't be made enough strict orders how people should behave in different situations: by common (and working) value basis it is easier.

Employee, head office:

“In my opinion the thing behind our values is a sensible thought that world is changing... We can't live anymore in a similar hierarchical organizations where the superior always knows everything and the exact advises always come from up. We have to trust people and their intelligence and they have huge capacity to solve problems and act when they have the opportunity to do so.”

Top management in the head office started the process. The most crucial and important stage, was the dissemination to the local level. Despite differences in experiencing values in different hierarchical levels (further in the paper), majority of interviewees, both head office and local level, agree on reasons behind the value process.

Employee (local level):

“I could assume that they wanted to have some kind of unity to this whole company. We had in a way three, four corporate cultures which were smashed together and it's ruling has been quite difficult in the beginning. Probably there has been this idea about common way of action...”

Cultural values are developed to control member's behavior. Ethical values fall into this category. Organizational ethics are the moral values, beliefs and rules that establish appropriate way for organizational members and the organization's environment (Jones 2001, 140).

Employee, head office:

“These values were discussed quite widely, in different job training events and it was discussed in working groups what could be our company's values. From these discussions raised these values, what we need here.”

Employee, head office:

“It was the merger situations... Two different organizational cultures come one... In my opinion our culture is open: we can discuss about things, we don't have to swallow our opinions.”

Manager, local level:

“There were very strong values in the local company already in the 80's. I think quite many people here still long for those times. Values were officially written after the merger in the late 90's, when two different organizations with two different cultures were put together.”

In company A the values where due empirical findings proc-

essed because of organizational changes, e.g. the merger situation. There were several mergers which made the organizational culture complicated. Since the company grew bigger through the mergers, there were many different sub-cultures inside the corporation. By value processing the management tried to get unity to the company, so that there would be the common value basis instead of numerous rules and orders.

Company B (bank) : values supporting the strategic changes

The bank has a long history with its' determined ethical principles. The corporate strategy has always included four ethical rules. The main reason for value processing seemed to be the strategic changes in the organization. Still, the value process was started also because it seemed to be “the spirit on the times”. Values were given from the head office, and processed locally.

Manager, head office:

“At least in some level the reason for values process was that values became more and more like a household topic: people wrote about values, they spoke about values, there were several literature... Values were “must”, every organizations had to have them. I have never been in a bank were people would some how been awakened to values.”

Companies' line of business, history, size and many other factors have effect on how value process is carried out and for what values are needed.(Aaltonen and Junkkari 1999, 230) Very often value process is started when organizational changes occur; for example when organizational strategies and policies are reformed.

Manager, head office:

“The value process was started at the same time when we renewed our organizational strategy and management system... We renewed our strategic frames in connection with values.”

Values are often considered as the thread through the whole organization. Values are the basis for everything. There can't be rules for every and each situation which occurs in everyday life; then values give the guidance.

Manager, local level:

“Each individual and every company has to have the guiding star. The guiding star is the vision, which has to be so clear that mit guides... Values are the leading marks which keep the company on the right track when there are no other rules to follow.”

Still, also the image is important factor when dealing with values. Especially in big companies and corporations it's seen as a vital tool to promote and improve the public image.

Manager (has been in the process):

“I think more important than the value headlines, is how the contents are understood. What each defined value means in and how it is disseminated.”

Employee, local level:

“I think that the aim was to get a good image and profit, so that the bank would have success. That's the basis.”

Manager (has been in the process):

“Value process has always the goal to find the common spirit to the organization. They search for the values, they adopt the values, they understand the values, they understand the contents of values, and after that they commit to the values. The commitment is possible only by personnel participation. By participating they start to think issues by themselves.”

Organizational culture controls the way members make decisions and how they behave in different situations. (Jones 2001, 130)

Top manager, head office:

"It means (the values) creating a new culture here; what we are, how we act, how we behave in this company."

Due the empirical data it seems that the culture and the values in the local level are more "softer" than in the head office. The historical aspects should also be emphasized.

Manager, head office:

"In our traditions, our traditional culture we have this group unity, trust and humanity... It is obvious due the research also, that our bank differs from others in these things... We have a soft and reliable image, for a bank. We've had the same name for 100 years... reliability... Customers see us as a solid bank."

The bank processed the given values locally with its personnel. The values were "given" from the head office, but widely under discussion at the local level. It's argued that also in bank business values became fashionable in the end of 90's. Earlier there had been severe bank crisis when banks concentrated only for surviving. After the bank crisis new strategies were built up, and they included values. It could be said that good financial stage made value dissemination possible.

Employee, head office:

"... For years banks just tried to survive... After that they wanted to find new ways to operate, they started to think about strategies etc. And at the same time the whole society seemed to talk about values... so it came to the bank sector also."

Employee, head office:

"We were living a transitional phase, the upswing was starting, the shakedowns were over; we had to develop new things and make the future with noble plans..."

The value basis at the local bank seems to have a strong history. Values have "always" been there, in the ways of thinking and acting as bank employee.

Manager, local level:

"These values have been in our policies long before they were clothed in words."

Manager, local level:

"We don't have the stock owners who should be paid dividends. We have the real will to success with right things... (cooperativity, locality)"

Manager, (process coordinator):

"Cooperation is working together. The bank success, the area success."

Still, naturally the profit has to be made in the cooperative bank too.

Employee, head office:

"It comes through working here (the value basis).. When you work here you see if you fit to this company, this company culture...or do you think differently."

Manager, local level: "Our bank group has common value basis, so we haven't (at the local level) defined them, but they haven't been dictated to us. We are committed to them, and we have processed them in our bank: what these values means as deeds, in our bank, in my job etc."

The company B started the value process in a transitional phase. The bank strategies were renewed, so the values seem to come naturally along. The bank's history with ethical principles seemed to help the value processing, since people were already familiar with ethical codes in the bank. Values were not totally something new for people, so the dissemination at the local level was easier. Naturally the personnel's participation in value processing made it also easier.

Company C (market) : value processing with the personnel

The market connects values with the company policy. The local corporate has made its own, local values. Values from the head office lie behind the own, providence values. Values were processed as a part of the local company strategy.

Manager, head office:

"Behind the values is our business idea and vision and: to produce service and benefits to customers. There are some differences in the local level... they may have five or six values instead of our official four values. Still these four basic values are the basis. This kind of tailoring is acceptable in our company."

Through value process the personnel is tried to become engaged to the company. The aim is to achieve credibility both in personnel's and in the outsiders' eyes. Healthy business image requires kept promises. (Aaltonen and Junkkari 1999, 232-233) Naturally, values of the organization should support the mission of the organization

Manager, local level:

"We needed to find the common foundation, which united our personnel."

Employee, local level:

"They were made to the basis for the action. And that we would differ from our competitors and could offer better service to our customers. Those were the basic things."

Nowadays companies has to be modern and keep up with the times. Values are a fad, but also crucial basis for companies.

Manager, local level:

"Nowadays companies just can't operate like out of the civilization. Modern company needs values to guide the actions forward."

Employee, local level:

"Every organization has to have values."

Organizational values should provide a guide or framework for the organizations members in accomplishing their part of the organization's mission

Manager, head office:

"We defined certain frames... People can't be ordered to discuss about values without telling them what it's all about. We started from the background, history, values, vision and framed the references for value discussions."

Employee, local level:

"The aim was to get the personnel aware of values. What we are going to do and why."

Organizational values define the acceptable standards which control the behaviour of individuals within the organization. Without such values, individuals would pursue behaviours that are in line with their own individual value systems, which may lead to unwanted behaviour from the company's point of view. (www.teal.org.uk/mat.page6.htm. 31.1.-05)

The economic situation was also one important factor when values were taken into organization.

Top manager, local level:

"We were almost bankrupt then (in the late 80's)... We had to start thinking more and start a total change in the culture and management here."

Top manager, local level:

"Values are connected to the corporate span, and our country is also quite long so local markets have different values. Espe-

cially in these kind of cooperative markets, we have different life spans.”

Top manager, local level:

“It all starts from the individual level and work unit level... it takes years to process..”

Manager (been in the process):

“The corporate image is the organizational culture which has been born by the values.”

Just like an organization`s structure can be used to achieve competitive advantage, an organization`s culture can be used to increase organizational effectiveness (Smircich 1983, p.339-358 in Jones 2001). The company employees feel that they represent the market all the time, at work and in their civilian lives.

Employee, local level:

“We are a living advertisement to the market, that`s why it is important to contribute the personnel significantly.”

To conclude company C`s value processing, it could be said that the most important factor was the participation of the personnel. People felt they are listened, and that their opinions in values matter. This created positive feelings in value processing, and the commitment to the values grew bigger. In short, the people felt that they matter, and this made the value processing easier compared to companies A and B.

5 Managers`role in constructing the organizational culture

Organization has to have a goal and boundaries within to achieve its goal. Organizations need certain principles in every action. The management has a special responsibility in solving the goals and principles. Solving doesn`t mean dictating but learning together: discussions, negotiations and agreements. Agreements of the values which direct all the actions. (www.paideia.fi/frames/arvojohtaminen2.5.2.-02)

Managers have a central role in shaping the organizational culture, that`s why both culture and management are studied in this chapter. Managers and leaders are not strictly separated in this study, instead they are handled quite similarly. This because the aim here is to get more information about value management in organizations, not the separations between manager and leader. Every individual who has subordinates, is important in value dissemination process. “The very first challenge any leader of an organization is facing is to acknowledge the fact that moral values are integral intangible assets that influence the organization`s core activities. Moral values are present when setting goals, developing strategies and in everyday decision-making.”(Korten 1999)

Organizational culture and company values are constantly affecting each other, they can`t be separated in to two different things. In this study the value management and organizational culture are treated together. This decision was made since the empirical findings in this study support it. In interviews the management and organizational culture constantly emerged together; they are interconnected when value processing is concerned. The manager`s example in creating value-based culture emerged in many ways from the empiria, so they will not be separated when reporting the findings.

The values held by the members of an organization determine the organizational culture, which according to Simmerly (1978, 15) is the most powerful internal force affecting any organization. Due Simmerly “organizational culture defines expectations about behaviour, how work is done, how decisions are made, how social interactions are structured and how people communicate”. Safrit argued (1990) that before any organization be-

gins to plan strategically for change within the organization, the organizational values held by its members must be identified, clarified and validated (Seevers 2000, 71).

The leadership and organizational discourse of the 1990s strenuously emphasized the importance of organizational reform and innovations: it has been said that investments, no matter how great they are, in e.g. new technology or education, do not boost productivity or competitiveness unless attention is also paid to the development of organizational practices. (Koski-Räsänen-Schienstock 1997, 1-2)

It is common rhetoric amongst several serious academics that hierarchy in organizations a factor inhibiting creative, flexible, effective etc. performance. Tall hierarchies are supposed to foster tight supervision with narrow spans of command and also alleged to clog and contaminate the communication channels. (Chakraborty 1991, 188)

To be most effective, the value process should be implemented in an organizational climate that supports ethical behavior. Top managers value ethics is extremely important in realization of a value processes: effective managers articulate a vision that includes ethical principles, communicate the vision in a compelling way and demonstrate consistent commitment to the vision over time. The reputation for strong ethical cultures in companies can be traced directly to inspirational leaders who consistently, by their words and deeds, signaled the importance of a commitment to high moral standards. (Buller et al 2000, p.63)

Leaders identify appropriate and inappropriate conduct, and they convey their expectations to employees through codes of ethics and values. The ethical conduct is influenced by our environment. In work settings, managers, and the entire cultural context are an important source of this influence and guidance. People are interconnected in the workplace. This means work is an important source of meaning in their lives. Business is no longer just about products and bottom-line profits. Words “products” and “profits” join with words like “meaning” and “values”. (www.web6.epnet.com/citation.asp.23.9.-02)

Company A: managers as examples

Manager, head office: “It depends very much about the local top management, about the organizational culture and about the willingness to receive these kind of things..”

Effective managers in all walks of life have to become skilled in the art of “reading” the situations they are attempting to manage or organize. (Morgan 1997)

Manager, local level: “I believe in leadership, in real leadership with big L. Through this leadership the values can be processed, not by orders. By being a manager, by being an example.”

Manager, head office:

“Well... communication is difficult because... Usually the subordinates think that the superior knows much more than he really does. And in a big corporation like this it isn`t necessarily like that. It can be that even the superiors don`t know about things... The information just doesn`t move on...”

Managers are the examples. Value management means that the superiors find the ways and means, which follow or pay attention to as many person`s values as possible. (www.kehitystaito.com/arvojohtaminen.25.2.-02)

Manager, head office:

“This whole process culminates to the superiors. People feel that they can`t be initiative, if their superior doesn`t support that kind of behaviour. Superior is the bottleneck in many things. If she/he doesn`t give the space to act, the space really doesn`t exist.”

Employee, local level:

"Managers are the examples with their own behaviour"

Rational activity is not necessarily the basis of the success of an organization, or even the most essential factor. Organizational success is also to a great extent a matter of the heart and a question of faith. This is why leaders must also have an understanding of values and beliefs, the organization's deep structure which can be sensed through its activity, but can not be observed in e.g. its bookkeeping or balance sheet. (Nurmi 1992, 16)

Manager, local level:

"Managers have big role in this... How they behave, what they emphasize... They can't just go and give an order that people in the factory should behave like this and like this... It all starts from the top, by being an example. You can't say like 'don't do what I do, do what I tell you to do'. There are some conflicts in this, the feedback has been like that..."

Manager, head office:

"People want to do the right things, something good. And it motivates people. When people are motivated, satisfied and happy etc., it makes more good to everyone."

Manager, local level:

"Here are different organizational cultures, it's very difficult... But it is the management's job to create the way to make things work."

According to Bennis and Nanus (1985, 48) all organizations depend on the existence of shared meanings and interpretations of reality which facilitate coordinated action. "We can assume an organization possess a healthy structure when it has a clear sense of what it is and what it is to do".

Manager, local level:

"If every manager/superior act openly, it creates trust. If we are open, it makes more trust. If the managers are not committed to these values, it is very difficult to process them downwards to the organization."

Manager, local level:

"Of course the management should act due these values... If the management doesn't, it's like... Like the values didn't even exist."

Manager, local level:

"In my opinion it is a management question. That's why the values are brought here. If people behave due the company values, it of course makes the management easier. I think this is purely a management question. Like an automatic management... as a beautiful basic idea."

Organization's ethical values evolve through negotiation, compromise and bargaining between organizational members. Ethical rules can also evolve from conflict and competition. (The Economist 1993, 25) Top management's individual values effect greatly to the organizational value processing, because they are the key people in all actions concerning organization.

Employee, local level:

"I think it depends a lot from the superior; what kind of example he is to his employees, how he behaves."

Employee, local level:

"It is the management with it's own example what creates certain ways to behave."

Top manager, head office:

"We are starting to consider this (values) more and more, e.g. when nominating people, it means that persons' behaviour, not just their competencies and productivity. It really (values) effects in nominations. I have e.g. fired one top manager because he didn't act due our values, he wasn't suitable to our company."

Employee, head office:

"I know that in this company the very top management has

made big decisions based on values."

Values in organization culture are important shapers of members' behavior and responses to situations, and they increase the reliability of members' behavior (Weick 1984, p.653-699). In this context, reliability does not necessarily mean consistently obedient or passive behavior; it may also mean consistently innovative or creative behavior (Chatman and Barsade, 1995, p.423-443).

Employee, head office:

"This way we can success. If we let the people here flourish and work independently, use their own brains, at the end of all it shows in the last line that we are also successful"

Company B: managers leading the way

There are countless questions and theories related to leaders and leadership. It is easy to list leadership characteristics, but no one can say what a perfect leader is like: such a leader hardly exists - no more than a perfect person. Personality is currently the trait that has an increasing importance in leadership. It has become the most important tool, resource and object of development. The personal, professional and cultural roles are united, which removes the historical division into general and professional education. (Lehtisalo 1999)

Top manager, local level:

"Someone has to have the "puzzle" in his mind. And in my opinion it has to be the management." "The management and superiors have to be the first example."

Managers are the primary designers in personnel's welfare and value processes.

Employee, head office:

"In our bank managers has been briefed so that they have facility for helping and supporting the personnel, and give chances to education. Both in and outside the workplace."

Top management's individual values effect greatly to the organizational value processing, because they are the key people in all strategic actions concerning organization.

Manager, local level:

"Well.. I have thank the God for that my personal values and this job's values are quite close to each other.. It makes it a kind of completeness...I have been here for 15 years and I've never had to act someone else, that's what is important."

If a company can develop a set of commonly held values among its personnel, it is creating a specific corporate culture which might differentiate it from its competitors, thus giving it competitive advantage.

Manager, head office:

"We are aware that in this competition we can't manage without a competent and committed personnel. We do appreciate that, we have a rewarding system that reflects that it isn't just a fad here nowadays."

Manager, local level:

"Our general manager is the best example in value processing."

Employee, head office:

"An example person... Well, the whole bank management should be the example... But I wouldn't give a huge cheer that the top management stands greatly behind these values... There is room for improvement in their work... Still there are no big exaggerations..."

Employee, head office:

"Chances for education and training are offered here... It's up to you if you take advantage of it. You have your own responsibility too."

Employee, local level:

"Through the personnel the values are reflected to the customers."

Employee, local level:

"The general manager is our example."

Many cultural values derive from the personality and beliefs of the founder and the top management and are in a sense out of the control of organization (Jones 2001, 140). This is correct when dealing with companies with strong binds to founders and managers. Their values and image are compared and affect to the organization. This is correct with Microsoft and Bill Gates: Gates is a workaholic who works 18 hours a day. His terminal values for Microsoft are excellence, innovation and high quality, and the instrumental values are hard work, creativity and high standards. Gates expects his employees to have the same commitment what he has towards Microsoft. Cultural values are out of the organization's control because they are based on Bill Gates. (Jones 2001, 140)

Employee, local level:

"Almost every meeting is started (by the general manager) by putting the value slide on. It reflects strongly the ambition to the value behaviour."

Employee, local level:

"The general manager's role is huge in this (value process). He has been a great example and has drawn the value conversation very strongly here. Sometimes it feels even like too much, like "hey we already know this." As a person he really operates due the values, as an example."

Employee, local level:

"All the decisions made as a superior are based on values; all actions are based on values."

Manager, local level:

"Our bank group has common value basis, so we haven't (at the local level) defined them, but they haven't been dictated to us. We are committed to them, and we have processed them in our bank: what these values means as deeds, in our bank, in my job etc."

Company C: management and the words to deeds process

"Leadership is a mystery. Is leadership an innate inclination or the product of education? Which criteria lead to selecting the best possible leaders? Is leadership a skill or a question of pure luck?" (Kasanen 2001, 10). Leadership as such is already very complicated and challenging area. When organizational values are added to this, the aggregate becomes even more versatile. Managers have to be committed to the values before they can disseminate them further to their employees.

Employee, local level: "I think they (top management) are committed to the values. My nearest supervisor and the managers who I meet are supporting the values... Of course it depends about the person..."

It is obvious that values can't successfully be disseminated without management's commitment. Values' mission is to keep the organization together, to create goals, to motivate employees, create permanence, conformity and sense of community. The real value discussion and the greater level of commitment start from functioning values. Values are real values only when they are can be inspected in companies' performance. Value discussions and declarations are useless if nothing is done in real actions. (Kotilehto 2001, 42)

Top manager, local level:

"Values are very important part of management behaviour..."

How the leaders and the managers experience values... Being an example is very important in management, values are reflected straight through the manager's behaviour."

Everyone who trains new employees creates new values, regardless of their organizational status. Those who create values not only add momentum to the corporate strategy and symbolism but also help newcomers to understand how company-wide values affect employee performance. Values that are efficiently internalized by personnel are the source from which leadership springs. (Peters-Austin 1989, 377-378)

Employee, local level:

"We superiors have disseminated values to our employees here... The top management, about five persons, has been as an example, especially the managing director."

Top manager, local level:

"Being an example, I think that has a huge role, kind of an ethical question. How the manager act, how a superior acts, how he makes decisions, how he deals with conflicts etc. When talking about manager's or superior's work, it is all the time about the own benefit, company benefit and personnel's benefit."

Managers are the primary designers of the total organizational form employed - the combination of strategy, structure and internal mechanisms that provide the overall operating logic and resource allocation and governance mechanisms of the organizations. (Kramer & Tyler 1995, 19) Values are one of the most crucial determinants in defining organizational strategy.

Top manager, local level:

"Top management has to take the responsibility for the personnel and personnel welfare. Tools for management are related to this, and values are related to the tools."

Top manager, local level:

"We were almost bankrupt. We had the options to merger or to start success. We had to make a complete change in leadership culture."

Top manager, local level:

"If the management spoils things, if the superior spoils the things, by their own example... Values are tools for management, for managerial behaviour."

Manager, head office:

"These basic responsibilities are very essential; that you have the responsibility for your own group and their competence and knowledge. That they know how to behave."

Managers have responsibility for their employees and their actions. They have to keep control in different situations, motivate people and be an example. Control in organization is exercised through individual, interpersonal influence, in which those in roles of authority motivate and direct others to act as they would like (Pfeffer 1997, 127)

Manager, head office:

"The importance of the superiors should be very essential; if that group doesn't act due the values, it's no use to hope that the organization could work due the values."

When cultural values are developed, top management must constantly make choices about the right or appropriate thing to do. To make these decisions, managers rely on ethical instrumental values embodied in the organization culture (Jones 1991, p.366-395). Ethical values and rules are an inseparable part of organization's culture because they help shape the values that members use to manage situations and make decisions. (Jones 2001, 141)

Manager, head office:

"The top management has a very central role, they can spoil these kind of things quickly."

Manager, head office:

"The ideal would be that the values were disseminated to new people by their superiors and work teams. Values can be taught and people trained, but it isn't the right way to do it. It can support the process but the main thing should come by the superior: in the everyday behaviour and working, through that the values will be processed right."

In organizations there must be a high degree of overlap and consistency between individual and corporate values. (Salopek 2001)

Employee, local level:

"In my opinion the values are important in the working community, not on the notice board but in the actions; it is the superiors' responsibility and consequential behaviour. It (values) can be put on the notice board too, and then have discussion about it. But the most important thing is to have the values inside the management culture, in the practices."

Values are heavily integrated into many other facets of people's personality and behaviour (Griseri 1998, 9). They are personal and intricate. Every individual has his own opinion what value really is.

Employee, local level:

"Each individual interprets values differently... it is the main thread in responsible management, but each employee should be able to speak with their superior, that what the responsible management means, so. It comes through the conversation, that it isn't confined to certain one thing."

Employee, local level:

"If the top management follows the values, it disseminates to the culture, to the local level, to the units, the message goes correctly through the organization."

The role of the top management in processing values is very much emphasized in company C too. The general manager is seen as a personification of organizational values.

Employee, local level:

"I say that he (general manager) is a person, who demands much from his employees and these values are followed literally, but he is also a person, who rewards employees always when things go right."

Cultural values are important facilitators of mutual adjustment in organizations. Cultural values can smooth interactions among organizations' members. People who share organizations' values may identify strongly with the organization (Etzioni 1975 in Jones 2001, p.131). This includes commitment and proudness of being part of the organization. Organizational and personal values don't have to be necessarily similar, but in balance with each other, when they support and complete each other.

Employee, local level:

"There are in every company people who direct the actions for example by their own value basis. It is the superior's job to find these persons, to find the leaders from the others."

Articulated values of an organization can provide a framework for the collective leadership of an organization to encourage common norms of behaviour which will support the achievement of the organization's goals and mission. (www.teal.org.uk/mat/html/31.1.-05)

Employee, local level:

"The superiors have been educated to the wisdom that they lead by values, and then the personnel experiences it in their own work. In my opinion it works like this. Like you don't say to a child that "now you are raised by value basis", you just tell to the child what is right and what is wrong."

Employee, local level:

"Value processing WITH the personnel is essential. By

working together the personnel becomes committed to the values and it shows in the work quality and motivation."

Employee, local level:

"The unit superiors are nearest to the field (the customers), the feedback reflects through them."

Employee, local level:

"It can be said that in this value issue it is true that if the top management is like traditional, authorial "patron leader", the value basis comes naturally into action: they direct the company by their own value basis, differently than today's professional leaders. If you think about old times patron leader, the factory leader mentality; they had a strong value basis. People might say that it was an authorial ordering mentality, but I would say that the patrons were not so much authoritative, but more like charismatic leaders, who had earned the position of a patron. Nowadays when companies grow and expanse the "old patron" can't anymore keep the whole orchestra in order."

This comment above is a very interesting value-wise. The historical aspect about value management is emphasized. Earlier, when companies were smaller and there was one, great leader, the values personified to him very strongly. Nowadays, when companies grow and merge, the value management gets even more challenging for organizations.

Conclusions

From plans to actual realization of values is a long process in a company level. In this paper the studied focus is the management's role. As found, they are key designers in the process even if the final activity of the personnel is needed. Value dissemination is a mutual, interactional process between the leaders and the led. This raised from the empirical findings in all three case companies. Despite the different ways of value processing, in all three companies the management's role as an example was emphasized. Due the empirical data it seems obvious that the top management (in the head office) has clear and sincere vision about how the values can strengthen and support organizational culture and make results better. Values are a basis for well-organized performance (Kotilehto 2001, 42). The problem is the process itself. In the light of three case-company findings management tools used in the process also have a role in the results, when we consider that personnel's resistance or adaptability are a big part of those.

Company A (forest) disseminated values from the head office to the local level, as order-like. The local mill has become dependent to the head office through several mergers: while analyzing interview data it is apparent that people on local level experience that organizational culture has changed radically. Managers at the local level have crucial roles in value dissemination and they are acting as examples. Due the data both the head office and local mill have people who experience value process good, but part of them think it's just a fad. It is important to emphasize that these different opinions often culminate to the relationships between employees and their managers.

Company B (bank) processed values from the head office to the local level by discussing with personnel about them. The local management concentrated hard on the dissemination, which seems to keep the resistance towards values quite low among the personnel. Again it can be said that managers role is crucial. Still, some employees feel that values are too much customer-oriented and there should be also "inner" values for the personnel.

Company C (market) created locally own values with it's personnel. Values from the head office lie there behind. Partici-

pating to company's operations, including value process, seems to be very important. Many interviewees emphasize the importance of taking staff into consideration when strategic decisions are made. Managers example is again very important factor.

The social construction of reality is very complicated and multiple process and short results are hardly available from value processing. Communication and voluntary interaction between the individuals and the groups is needed because of their multifold nature. The social construction of organizational reality happens through different strategic processes, e.g. creating common value basis and culture to the whole organization.

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