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VALUE PROCESSING IN ORGANIZATIONS –
INDIVIDUAL PERCEPTIONS IN THREE CASE COMPANIES

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"Verba volant, scripta manent."

ABSTRACT

Values and value processes are said to be needed in every organization nowadays, as the world is changing and companies have to have something to "keep it together". Organizational values, which are approved and used by the personnel, could be the key. Every organization has values. But what is the real value of values? The greatest and most crucial challenge is the feasibility of the value process. The main point in this thesis is to study how organizational members at different hierarchical levels perceive values and value processes in their organizations. This includes themes such as how values are disseminated, the targets of value processing, factors that affect the process, problems that occur during the value implementation and improvements that could be made when organizational values are implemented. These subjects are studied from the perspective of organizational members (both managers and employees); individuals in the organizations. The aim is to get the insider-perspective on value processing, from multiple hierarchical levels.

In this research I study three different organizations (forest industry, bank and retail cooperative) and their value processes. The data is gathered from companies interviewing personnel in the head office and at the local level. The individuals are seen as members of organizations, and the cultural aspect is topical throughout the whole study. Values and cultures are seen as the "actuality of reality" of organizations, interpreted by organizational members. The three case companies were chosen because they represented different lines of business and they all implemented value processing differently. Since the emphasis in this study is at the local level, the similar size of the local units was also an important factor.

Values are in "fashion" — but what does the fashion tell us about the real corporate practices? In annual reports companies emphasize the importance and power of official values. But what is the real "point" of values? Values are publicly respected and advertised, but still it seems that the words do not meet the deeds. There is a clear conflict between theoretical, official and substantive organizational values: in the value processing from words to real action. This contradiction in value processing is studied through individual perceptions in this study. I study the kinds of perceptions organizational members have when values are processed from the head office to the local level: the official value process is studied from the individual's perspective.

Value management has been studied more during the 1990's. The emphasis has usually been on managers: how they consider the values in organizations and what effects it has on the management. Recent literature has emphasized values as tools for improving company performance. The value implementation as a process has been studied through "good" and "bad" examples, as if one successful value process could be copied to all organizations. Each company is different with different cultures and personnel, so no all-powerful way of processing values exists. In this study, the organizational members' perceptions at different hierarchical levels are emphasized. Still, managers are also interviewed; this is done since managerial roles in value dissemination are crucial. Organizational values cannot be well disseminated without management; this has been proved in several earlier studies (e.g. Kunda 1992, Martin 1992, Parker 2000). Recent literature has not sufficiently emphasized the individual's (organizational member's) role in value processing. Organizations consist of different individuals with personal values, at all hierarchical levels. The aim in this study is to let the individual take the floor.

Very often the value process is described starting from the value definition and ending at dissemination, and the real results are left without attention. I wish to contribute to this area. Values are published officially in annual reports etc. as a "goal" just like profits. Still, the results/implementation of value processing is rarely followed, at least in official reports. This is a very interesting point: why do companies espouse values, if there is no real control or feedback after the processing? In this study, the personnel in three different companies is asked to give an answer. In the empirical findings, there are several results which bring new aspects to the research area of organizational values. The targets of value processing, factors effecting value processing, the management's roles and the problems in value implementation are presented through the individual's perspective. The individual's perceptions in value processing are a recurring theme throughout the whole study. A comparison between the three companies with diverse value processes makes the research complete.

ACKNOWLEDGEMENTS

"Employees are the most important resource in organizations." That is the phrase from which my study of organizational values and value processing initially started. My own attitude towards the phrase was quite negative, as well as towards organizational values at that time. Nevertheless, I wanted to know whether there could be some real meaning behind organizational values. Since every organization seems to advocate values nowadays, there has to be some reason for it. I wanted to go to the organizations and ask the people, the organizational members to tell me their own perceptions of organizational values. The whole process has been demanding, but also extremely rewarding: during interviews and analysis I have learnt a great deal about organizations and individuals.

I would like to give my thanks to my supervisor, Professor Iiris Aaltio, who has encouraged and supported me during my research. She has always seen the potential in me and in my research, even when I myself felt greatly off track. Her support has been enormous and constant during the years. I also want to thank my colleagues at the Lappeenranta School of Business. Especially Hanna-Kaisa Ellonen has "shown the way" in the last tough stages of this process, and given me much practical and supporting advice. Pia Heilmann, Piia Lepistö, Anni Laihanen and Markku Ikävalko have contributed to this study significantly. Their competent comments and sparring have been remarkable: whatever "unbeatable" uphill emerged during my research project, I could always trust that my colleagues would encourage me and get me in a better mood. After all, preparing a doctoral thesis is "only" work, even though it does not always seem as such. "It's all about the attitude, guys!"

I have had the great pleasure of having Adjunct Professor Heidi Keso and Professor Arja Ropo as my official reviewers. I am grateful for their valuable comments. I especially want to thank Heidi Keso, who has given me many constructive comments during this process, and all the time offered her support, advice and encouragement to me.

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So, finally, this thesis is finished. The path was colored with ups and downs, but I would not change a moment. I needed them all to get to this point. I did it!

Lappeenranta, April 2007

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1 INTRODUCTlON

"In the beginning was the Word" (John 1:1). Before there was wisdom, before there were lessons to teach and to learn, before there were rules to follow, there was the *point* of it all. To Christians, the *point* is God. The wisdom and the lessons and the rules are all used as a means to serve God. That is the *point*. At something less than a cosmic level, there is a *point* to be considered for every human endeavor, and this *point* may be an issue of contention. The *point* is not the same as the ends, goals and objectives. The points made in an argument are not the same as the *point* of arguing in the first place. What is the *point* of studying ethics? "We are inquiring not in order to know what virtue is, but in order to become good since otherwise our inquiry would have been of no use" (Aristotle 1961, II, 2). In ancient times, that which we call ethics was primarily concerned with the point of living. (Barker 2002) And what about *the point* in today's organizations, where values are strongly and impressively processed, at least according to the official statements, annual reports etc.? What is the *point* of value processing in organizations when the individuals inside the companies are asked? This study looks for the answer to that question.

This study is about organizational values and value processing in three case companies. All individuals and communities have morality, a basic sense of right and wrong in relation to particular activities. Ethics represents an attempt to systematize and rationalize morality into generalized normative rules that supposedly offer a solution to all situations that include moral uncertainty. In our everyday lives, we constantly come up against situations where values are in conflict and where we have to make choices about what is right or wrong. (Crane & Matten 2004, 11)

Business and values are inextricably linked. People are value-driven and have shared values, corporate values, professional ethics, managerial ethics and other ideas, all in their own way influencing managers and organizations. (Griseri 1998) Currently, values and value processes are said to be needed in every modern organization. A 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, 124).

A value system is an enduring organization of beliefs concerning preferable modes of conduct or end-states among a continuum of relative importance (Rokeach 1973, 5). But how do values and value processing really operate in organizations, from the eyes of the "company's most important resource" – the individuals? In this study, the organizational value process is studied through the individuals' perceptions, the organizational members.

1.1 Why Study Organizational Values and Value Processing?

"Corporate values are in vogue — but what does the fashion tell us about enduring corporate practice, as it is and as it could be? Increasingly, companies around the world have adopted formal statements of corporate values, and senior executives now routinely identify ethical behavior, honesty, integrity, and social concerns as top issues on their companies' agendas. The meaning of this new emphasis on values, however, is less obvious than the trend itself" (Van Lee et al. 2006). This comment reflects my research interest well. I see the "value fashion" as an interesting phenomenon. My study stems from the old phrase "employees are our most important resource". I have encountered this phrase in many companies and at the same time I have seen that their real actions contradict the words. Values are emphasized in written material and speeches, but in practice the reality is different.

I study three different case companies; a forest industry company, a bank and a retail cooperative. When observing the values defined in these companies, it was easy to see that the organizational, officially defined values are similar. Actually, if you look at any organization, regardless of the size, line of business etc., their official values look the same. Therefore, it could be questioned whether values give any real competitive advantage, as such. After all, if a company's products and services are identical to those of its competitors, where is the unique competitive advantage that strategically differentiates these companies from each other? If all companies have similar values, what is the point in processing values? This was my empirical observation, which raised even more questions when I read more about theoretical value definitions.

In the theoretical definitions, values are referred to as "what is the most important thing", "what is appreciated here", "what is the right way to behave" etc. (e.g. Schein 1985, Rokeach 1973, Griseri 1998). For example, the phrase "employees are our most important resource" is very often mentioned in connection with organizational values. It is a familiar phrase from annual reports and personnel development projects. "Many companies have listed their values and started to speak about personnel as their most important resource. When the economic situation has deteriorated, these speeches will be seriously tested. At the same time with listing the values the real personnel politics has hardened" (Hukkanen 2001, 15-16). In their annual reports, companies emphasize the importance and power of values. But what is the real "value of values"? Values are respected and advertised, but still it seems that the words do not meet the deeds. There is a clear conflict between theoretical, official and substantive organizational values: in the value processing from words to real action. Examining this contradiction through organizational members' perceptions is my research subject.
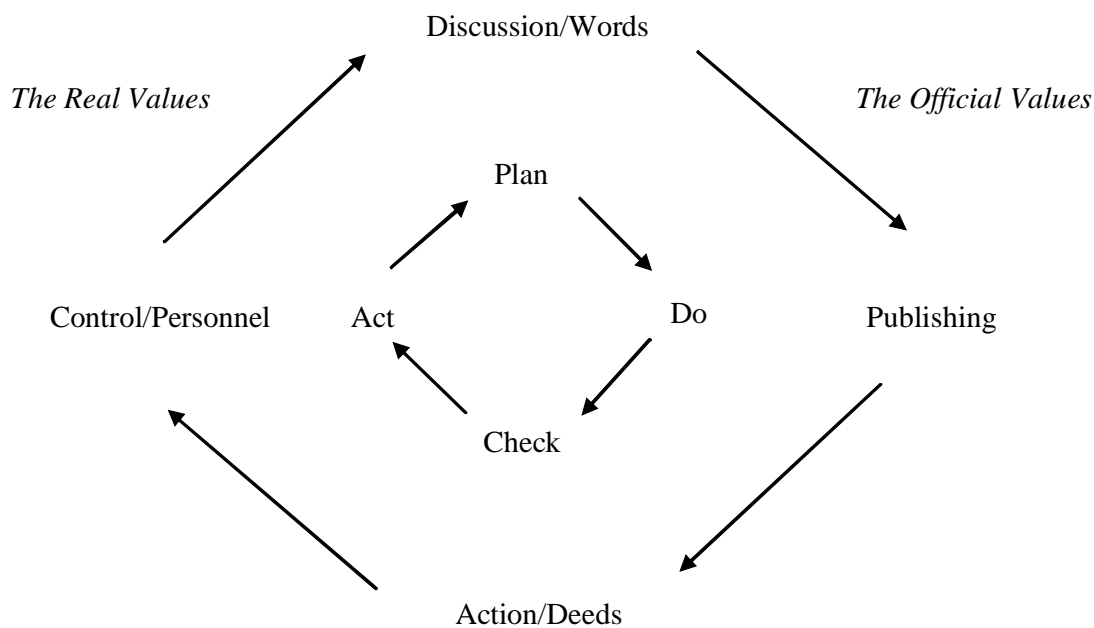
Figure 1. Words vs. Deeds Cycle in Value Processing. Modified from Deming's PDCA-cycle (1950)

W. Edwards Deming proposed in the 1950s that business processes should be analyzed and measured to identify sources of variations that cause products to deviate from customer requirements. He recommended that business processes be placed in a continuous feedback loop o that managers can identify and change the parts of the process that need improvement. As a teacher, Deming created a (rather oversimplified) diagram to illustrate this continuous process, commonly known as the PDCA cycle for Plan, Do, Check, Act:

- **PLAN**: Design or revise business process components to improve results
- **DO**: Implement the plan and measure its performance
- **CHECK**: Assess the measurements and report the results to decision makers
- **ACT**: Decide on changes needed to improve the process

Deming's focus was on industrial production processes, and the level of improvement he sought was at the level of production. In the modern post-industrial company, these kinds of improvements are still needed, but the real performance drivers often occur at the level of business strategy. The PDCA cycle was, in fact, originally developed by Walter A. Shewhart, a Bell Laboratories scientist who was Deming's friend and mentor, and the developer of Statistical Process Control (SPC) in the late 1920s. Thus this is sometimes referred to as the "Shewhart Cycle". There are also several recent variations on this concept. (Arveson 2006)

In this study, I have adapted Deming's cycle for the purposes of my research subject. The cycle could be called "Words vs. Deeds Cycle in Value Processing":
- **PLAN**: Discussion and words: speaking about organizational values
- **DO**: The official values are published
- **CHECK**: The actions (deeds) in the organization: value dissemination
- **ACT**: Control by the personnel (interviews): the real value implementation

The value process is studied further by asking the organizational members' opinions and perceptions. In all three companies, values were "made" (PLAN and DO) in the head office and then disseminated (CHECK) locally. The focus is on the individual perceptions (ACT) since the official values seem to differ from the real, effective values. In this study, I see the value process

as a phenomenon which affects the whole organization through the people. Values are often studied only as a management tool: in this study the value management (or managing values) is one part, but the special focus is on the individual level: how the official values encounter the real ACTions which people perceive in their organizations. There are contradictions between words and deeds: this study concentrates on the discussion (value exposition and actions in value processing) and the doing, as seen by the organizational members.

1.2 Background to the Study

This study concentrates on the individual's perceptions of value processes. The aim is to study value processing more closely at company level and to find out what the phenomenon in practice means: what kinds of processes lie behind value management and how words and deeds meet. The special focus is on individual perceptions: employees at different hierarchical levels. The aim of this study is to explore how values are embedded in organizations and to examine the role that values play: how they are processed and seen in organizations. The perspective towards organizations is humanistic. The empirical part is carried out through content analysis, by interviewing the individuals (organizational members) in organizations. Key words in this research are e.g. values, value processing, value management, and organizational culture.

One theme in this study is the argumentation about value management in organizations. Can values be managed 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. Values as a phenomenon mean different things to different people. The main problem seems to be the congruence and unity in organizational values. Since every individual has a somewhat different understanding about values, it makes value management even more complicated. The challenge for superiors and managers is huge, but possible to accomplish through will and values. Organizational culture has a central role in this: organizational values and organizational culture are interconnected, and the individuals in the organization represent the culture and values through their own realities. (see e.g. Schein 1985, Martin 1992) Values and culture in a way actualize the organization through the organizational members' perceptions.

Most strategic planning models include the process of value clarification. Pfeffer (1997, 11) has identified one component of strategic planning as a "values audit, where the values of the members of the organization, the organization's philosophy of operations and the organization's culture are all examined". Identifying organizational values is a critical step since such values directly influence how people behave (Seevers 2000). In this study, the individual perceptions about values and value processing are further studied.

Today's values are often defined as part of company-level strategy formulation. It is also the object in many merger situations to find a common value basis for joint strategies. The life cycle and history of the firms might differ a great deal and a joint value basis might be difficult to find. Through the use of values, an attempt has been made to connect plans and formal procedures and the direction of an organization's actions: "who we are and where do we want to go - supported by our values". There are several factors which influence value processing in organizations: these factors are studied through individual perceptions in this study.

Businesses usually have two philosophies: an official one printed on the company's brochures and an unwritten one applied in practice. Decision-making in the company is based on the latter even though it may not even be mentioned out loud. (Cavanagh 1988) In this study, these "official vs. unwritten" values are studied through individuals in the case companies.

Values are subjective, and it is difficult to determine whether some are better than others. Cultures, personalities, religions etc. have an impact on them. On the other hand, when one studies values and their processing, one asks why values must be so neutral and self-evident (bland). Another question that comes to mind when one contemplates the state of society is whether corporate values are developed to balance out the degenerate values of society; i.e. to subject individuals to "proper" values, if only in the workplace. And third, do companies truly need to take on the tasks of society to create values if and when individuals are no longer confronted with them elsewhere? A frightening thought, but there is some truth to it. After all, today many people claim that people have lost their value basis, especially the young generation. "The worldwide "value emptiness" is a phenomenon, where only financial success, profit and efficiency matters. Today the easiest way to make a fool of oneself is to preach that we can not

measure everything with money. Such values as home, religion and fatherland exist only decorations in noble speeches and national self-esteem is subordinate to the idea that we can be a part of it so that the economics would run" (Ojanne 2006). In this study, organizational values are not declared to be "the" solution to all problems in organizations, but they are approached as a phenomenon which can (accurately processed) make a positive difference in contemporary organizations.

When I worked on the empirical part of this study, I encountered many interesting individuals and issues. Individuals perceive values in their own, fascinating way. Many companies have jumped on the bandwagon with questionable results, e.g. one company that had recently reformed its values refused to take part in this study despite my many enquiries. A few months after publishing the new values (which emphasized the importance of the personnel) the company announced large-scale lay-offs invoking the financial situation. Fortunately, for many businesses values mean more than merely following a trend. I am glad to say that during my interviews I even met a director who, amid financial difficulties and merger pressure, began to develop quality leadership and values. The company was turned around from the verge of bankruptcy - it became one of the country's leading businesses. This is the research result that motivates me when I feel that no one appreciates values, especially in financially difficult times. Values are a challenge, to me and to others.

1.3 Structure of the Study

The structure of the study (Table 1) can be presented as follows:

1. INTRODUCTION TO THE STUDY
Why Study Organizational Values and Value Processing?
Background to the Study
Key Concepts
Literature Review: a Research Gap?

2. RESEARCH ON VALUES IN THE HISTORY OF
ORGANIZATIONAL THEORIES
"New" Values in Organizational Studies
Humanist Viewpoint in Organizational Theories
"Hard" vs. "Soft" Values
Organizations` Ethical Activities Today

3. VALUE MANAGEMENT IN ORGANIZATIONS
Transformational Leadership in Organizations
Organizational, Professional and Individual Ethics
Values andCultures in Organizations
Subcultures in Organizations
Values, Psychological Contracts and Trust in Organizations

4. RESEARCH STUDY OF THE STUDY
Purpose of the Study
Research Questions and Sub-questions
Methodolical Aspects in This Study
Case Study as a Research Strategy
Data Collections and Data Analysis
Theoretical Paradigms in This Study
Martin`s Three Perspective Model
Summary of the Research Design

5. VALUE PROCESSING IN CASE ORGANIZATIONS
Targets of Value Processing
Factors Affecting Value Processing:
Organizational Form, Culture, Management, Individual
Problems in Value Processing
What Could be Done Better?

7. DISCUSSION: EMPIRICAL FINDINGS AND
THE THEORETICAL ASPECTS
Reliability, Validity and Limitations of The Study
Conclusions About the Study
Suggestions for Further Research

1.4 Argumentation in Studies of Organizational Values

At the moment, ethical perspectives in organizations are "in fashion". The economic situation and strong transitions in the labor market have made ethics a central topic in conversations. (Hukkanen 2001) Mahoney (1997) argues: "Business ethics is ultimately the ethics of power, of how to handle the power of business and how that power is acquired, increased and exercised. The need for ethics in business has never been greater, precisely because the power of business has never been so manifold and extensive as it is today." Crane & Matten (2004) suggest that knowledge of business ethics is vital in the contemporary business environment. This is probably the case, but what is the reason for this "revival" of values in organizations?

A majority of companies still deals with human resource management (HRM) amateurishly. Usually the nature of human resource management is defined by how individual professional fields consider competitive edge to be created: management considers personnel to truly play a key role only in the service sector and some high-level expert organizations, whereas in other fields it still, at best, consists merely of the management of employment relationships instead of fostering, developing and productively utilizing the capacity tied to human resources. (Lähteenmäki et al. 1996)

Nevertheless, some researchers after the mid 1980s claim to have obtained sufficient evidence that organizations relying on mutual trust and open dialogue actually exist and that they are even more effective than organizations founded on the old doctrines (Walton 1974, 63-67, Buchanan-McCalman 1989,45-46, Ahonen 2001). Leadership and organizational discourse today is labeled by many, often contradicting interpretations. According to Ahonen (2001, 19), it seems in any case impossible to maintain that the dense theoretical jungle in leadership and organizational discourse is not a series of side-tracked or challenged thoughts, but in fact their result. There has been reasonable unanimity on two issues ever since the school of human relations: there is a gap between theory and practice in corporate management, and human aspects should be better taken into consideration.

Business ethics is currently a very prominent business topic, and the debates and dilemmas surrounding it have tended to attract an enormous amount of attention from various quarters. Consumers and pressure groups appear to increasingly demand that firms should seek out more ethical and ecologically sounder ways of doing business. Media also constantly seems to keep the spotlight on corporate abuses and malpractices. Even the companies themselves appear to increasingly recognize that being ethical (or at the very least being seen to be ethical) may actually be good for business. (Crane & Matten 2004, 12). In this thesis the companies' way of reacting to values and value processing is studied. The personnel is seen also as a resource, which has its own impact on value processing. Value processing has often been bound to management and on management's responsibility (e.g. Aaltonen-Junkkari 1999, Chakraborty 1991, Crane & Matten 2004, Hatch 1997, Kunda 1992, Parker 2002). Without undermining the management's important role in value processing, I also want to take into account the individual's role (at different hierarchical levels). Individuals in an organization have their own, personal values and opinions about organizational values. Their impact and role in value processing need to be taken into account. This area has not been covered enough in recent literature.

To the practitioner, the point of studying organizations is to learn enough about them to facilitate some degree of predictive control for managers. To others, the point is to provide an understanding of organizational life, and create a potential for improving it (Barker 2002). The aim of this study covers, for the most part, the latter; learning from organizations' values and value processes. By defining organizational values and ethics, it is easier to interpret organizational actions. In this study, values are seen as moral phenomena in organizations, which belong to the area of business ethics. In this way ethics and moral are linked to the study. My intention is to stay at the organizational level of ethics, moral and values, not to dive into the depths of different philosophies. My focus is on organizational values.

Personally, I consider studying values an extremely interesting and challenging project. The knowledge that no one correct scientific theory or truth exists has supported me in creating a scientific theory and something "new". The truth is negotiated in social interactions, and

negotiations are carried out by exchanging meanings. Meanings are subjective views with which we objectify our reality (Berger & Luckmann 1966, 45-47).

Before the "rise of values" in organization studies, it could be said that on the whole, ethical issues have been of marginal significance to the unfolding debates around HRM. (Winstanley & Woodall 2000, 4) Despite the active investigation of business ethics at an academic level since the 1960s, there remains a gap between the work of academics and the application of business ethics in the workplace. There is still a gulf between academia and practice. Nevertheless, it should be emphasized that academics can help practitioners with ethics by assisting in the clarification of the moral perspective in practices. (Spence 2002) This study contributes to the empirical evidence on value processing in organizations from the organizational members' perspective.

1.5 Definition of Concepts

In this chapter I will introduce the key concepts of this study. This is done because the concepts are present throughout the whole study and I see them central empiria-wise. Currently, the words "ethics" and "moral" and "values" are used interchangeably. (Mullins 1999, 142) For example, we may do different "moral" or "ethical" judgements about different things, or we may say that some organization's actions are unethical towards the nature etc. In practice, ethics, moral and values are also often mixed.

Organizations, like individuals, need to be ethically responsible for their actions. In many ways, it is probably true that this does not pose many real problems for most people in terms of communicating and understanding matters about business ethics. (Crane & Matten 2004, 11) The *individual* in this study represents the members of the organizations: the employees at different hierarchical levels, in different tasks. The individual view is emphasized throughout this study.

Values are general criteria, standards or guiding principles that people use to determine which types of behavior, events, situations and outcomes are desirable or undesirable. (Jones 2001,

130) Some researchers make an important distinction between values and ethics: "Values are our fundamental beliefs or principles. They define what we think is right, good, fair and just. Ethics are behaviors and tell people how to act in ways that meet the standard our values set for us." (Salopek 2002)

It is also important to define what values are *not*. According to Crainer and Dearlove (2001), organizational goals (specific targets that help to realize a vision) are not values; neither are mission or purpose (the fundamental reason for existence); nor should values be confused with vision (a picture of the intended future). All these have their place in a successful company. Values, however, are the precursor, the foundation on which the others are built.

Morality can be defined as the standards that an individual or a group has about what is right and wrong, or good and evil (Velasquez 1998, 8). Moral opinions are committed to culture and community. Morality as a concept has to be separated from the predominating moral. The concept of morality includes at least the thought that humans' activities are not totally determined from the outside, but humans are able to think and make decisions about their actions. (Kotkavirta et al. 2002, 105-106) "A necessary characteristic of our humanity is the capacity to make moral choices. But these choices can oppose socially enforced norms of morality. The substance of morality stems from the feeling of responsibility and duty towards others. It emanates from an essential characteristic of all human beings, our being with others." (Shrinivas 1999, 611) Crane & Matten (2004) define morality and ethics as follows: "Morality is concerned with the norms, values and beliefs embedded in social processes which define right and wrong for an individual or a community. Ethics is concerned with the study of morality and the application of reason to elucidate specific rules and principles that determine right and wrong for any given situation. These rules and principles are called ethical theories. In this way of thinking, then, morality precedes ethics, which in turn precedes ethical theory."

Ethics moves between different levels of moral and morality. It tries to make this difficult area understandable and visible. Normally, ethics does not concretely say what is good or right; instead it tries to offer tools which can be used to solve these problems. (Kotkavirta et al. 2002, 107)

Values are interconnected to *organizational culture* (e.g. Schein 1985, Martin 1992), and that is why the cultural aspect is included in this study. Organizational culture has been described as the set of shared values and norms that control organizational members' interactions with each other and with the interest groups outside the organization. (Jones 2001, 130). Still, the concept of organizational culture is unclear and ambiguous. On the other hand, many different points of view are not only a negative matter. (Pulkkinen 1994, 10) E.g. Smircich (1983) sees many different viewpoints as richness because it can lead to versatile and well developed examinations (Kinnunen 1990, 15).

Usually, organizational culture is simply defined as "how things are done around here" (see e.g. Deal & Kennedy 1983). Organizational culture is defined by referring to the common attitudes, values, norms and beliefs inside the organization, as well as myths, rites and rituals. Hofstede (1993, 249) defines culture in general as collective programming of the mind that differentiates the members of one group from those of another. Further, organizational culture can, according to Hofstede, be described as the collective programming of minds that differentiates the members of one organization from those of another. According to Sackmann (1997) culture in an organizational setting is more complex, pluralistic, diverse and contradictory than previously acknowledged.

In the past, many researchers have ignored the similarities and differences between organizational climate and organizational culture. Researchers of organizational climate have placed greater emphasis on observable practices of the organization, while researchers of organizational culture have emphasized the values of the organization. Compared to organizational climate, organizational culture is more oriented towards "deeper" concepts such as organization values and the assumptions underlying these values. Thus, because these two terms have quite similar scopes, very strict definitions are not needed. (Fey and Beamish, 2001, 855-856)

Subcultures can be defined as a subset of an organization's members who interact regularly with one another, identify themselves as a distinct group within the organization, share a set of

problems commonly defined to be the problems of all, and routinely take action on the basis of collective understanding unique to the group (Van Maanen & Barley 1985).

The *psychological contract* is individual beliefs, shaped by the organization, regarding terms of an exchange agreement between individuals and their organization. Psychological contracts have the power of self-fulfilling prophecies: they can create the future. People who make and keep their commitments can anticipate and plan because their actions are more readily specified and predictable both to others as well as to themselves. Psychological contracts function in the broader context of goals and as such, ceteris paribus (all things being equal), make individuals and organizations more productive. (Rousseau 1995, 9)

The existence of *trust* is an essential component of all enduring social relationships. The definitions of trust in Western industrialized and "modern" societies are rooted in the idea of the individual as the final repository or rights and values. In these societies, it is the individual social actor, the citizen of the nation-state and not any collectively defined, primordial or corporate entity who is seen as at the foundation of the social order and around whom the terms of social trust are oriented. (Seligman 1997, 14)

Behavioral integrity (BI) is the perceived pattern of alignment between an actor's words and deeds. It entails both the perceived fit between espoused and enacted values, and perceived promise-keeping. It includes also the perception of behavioral adherence to psychological contracts, mission statements, corporate value statements, descriptions of individual values, priorities, or management styles, and simple follow-through on expressed commitments. Behavioral integrity focuses on the extent to which stated principles are seen as aligning with actions. It is a present-time trait whose ascription draws on history. (Simons 2002, 19-20)

1.6 Literature Review: a Research Gap?

Questions about values have been discussed in Europe since ethics was invented as a form of philosophical inquiry by the ancient Greeks over 2500 years ago (Mullins 1999, 142). One of the great ethical theories, Aristotelian ethics, is known as "virtue ethics". Since those early days, the

concept of virtues has never been totally absent from Western ethical thinking, albeit emphasis has been distributed differently in different periods. For about two decades, ethics has shown a revival in virtue ethics. In order to fill the gap between practices and moral principles, ethicists have reintroduced the concept of virtue to describe attitudes that are appropriate whenever moral excellence within a given community is sought. Virtue, especially in its Aristotelian sense, stands for the qualities of character that make a community member fit to function to a high degree within the social fabric. Virtue is as much a communitarian as it is a personal concept. The theory of virtues is a theory that is distinct and highly respected in social practices. (Van Luijk 1994)

"Europe was the home of the Western philosophers. The principles and approaches for assessing right from wrong have been adopted by American business ethics and are derived from Europe. Europe was the home of Ancient Greeks, the developers of early Western theology, natural law, rights and duty, the social contract, utilitarianism and existentialism. These developments in philosophy are inextricably linked with the historical, political, economic and cultural situations of their time" (Spence 2002). Organizations, like individuals, are morally and ethically responsible for their actions: values transform their identities. There are hidden values which have a wide effect: e.g. the old organizational culture and values might still lie behind the scenes. As frequently found in earlier research, social engineering projects have their limitations and often the tool-like attitude in value processing does not end in satisfactory results. Paradoxically, in many cases the organizational culture is seen as a critical factor when business companies merge. The organization culture is represented through the individuals: when they speak about their organization's value process, they reflect, at the same time, the organizational culture from their own perspective. This is why organizational culture has a central role in this study.

Earlier research of business ethics has several different research aspects. The main stream concentrates on the study of business ethics as "the study of business situations, activities and decisions where issues of right and wrong are addressed". Different aspects contextualize business ethics e.g. from the viewpoint of shareholders, employees, consumers, competitors and suppliers of the organization. One main aspect is the research on corporate social responsibility,

CSR. (Crane & Matten 2004) In this study, the main research phenomena include organizational values and value processes. These are studied through individuals' perceptions at several hierarchical organization levels. According to Denzin & Lincoln (1997), the way utterances work is a matter of understanding social practices and analyzing the rhetorical strategies in play in particular kinds of discourse. Compliant with Denzin, the discourse is the material practice that constitutes representation and description. He cites Stuart Hall's claim that must be kept in mind: "there is no way of experiencing the "real relations" of a particular society outside of its cultural and ideological categories."

Concerns about the role of business in society persisted and led to the emergence of "corporate social responsibility" in the early 1960s. In this study, corporate social responsibility (CSR) is not studied further, although it is part of the empirical questionnaire. I made this choice since value processing is the main theme in this study. Thus the CSR aspect is only referred to in connection to value implementation.

Sharplin (1985) argued that the complex relationship between business and society should be redefined within a new form of the Social Contract, or a set of written and unwritten rules and assumptions about behavior patterns among the various elements in society. Still, despite the active investigation of business ethics at an academic level since the 1960s, there remains a gap between the work of academics and the application of ethics in the workplace (Spence 2002).

There are naturally objections to ethics and value research. Webley (1993) has noted that objections fall to into two categories. First, some see the subject as a waste of time and energy because, since business is already regulated by law, codes of ethics are merely public relations exercises that fail to alter the actual behavior of people employed in business. Second, codes of ethics are "a second best" option since the behavior of individuals is formed by values acquired in childhood, and introducing codes may undermine the person's right to make moral judgements within an organization.

Since organizational values are constantly referred to in organizations and in the society, I see them as an important research area. Every individual has his/her own values, and organizations

are creating their own common values to improve their performance. Still, words vs. deeds, from value planning to real action (and feedback), is an area that has not been studied much, especially as seen by individuals at different hierarchical levels. Values are widely discussed and processed in organizations, but the real implementation often remains weak. This study contributes to that area.

1.6.1 Values and Organizational Culture

Values and organizational culture are interrelated. In this study, values and cultures are interpreted through organizational members, as the "actualizations" of organizations. By this "actualization" I mean the individual perceptions about value prosesses: how people construct the research phenomenon in their own, individual mind. This perspective has a connection to social constructionism, but in this study the aim is not to assort different processes behind these constructions or to achieve a total consensus on organizational values. Instead, the focus is on the different individual perceptions and interpretations.

The most important player in these processes is the member of the organization, the individual. That is the reason why the individual views about values in organizations are studied is this thesis. According to Conklin et al. (1992, 1), organizational values are any concept or idea that is held in high esteem by the members of an organization and that shapes the organization's philosophy, processes and goals.

During the last decades in particular, organizational culture has gained a central position in organization studies (e.g. Hatch 1997, Barley and Kunda 1992) As per Barley and Kunda (1992), organizational culture has even been called the dominant management paradigm since the 1980s. The literature on organizational culture has increased dramatically (e.g. Aaltio-Marjosola 1991, Alvesson 1987, Parker 2000, Paalumäki 2004). However, the literature still lacks conceptual and practical clarity, leading to repetition, constant theoretical debate (see e.g. Martin 1992) and a low degree of practical utility in research results. Influencing organizational culture has been considered difficult, if not impossible, in its current conceptual form. (Martinsuo 1999)

The culture literature is unusual in the sense that the terms of silencing, marginalizing and minimizing intellectual disagreements have sometimes been broken down usefully into number of publications which argue openly for one point of view in preference to other, extensively described alternatives. Reviews of the cultural literature include e.g. Alvesson and Berg (1992), Smircich (1983), Czarniawska-Joerges (1995), Frost et al. (1991), Martin (1992), Kunda (1991) etc. The seriousness of intellectual differences makes it difficult to review the results in the culture area, for there is chaos rather than order, conflict rather than consensus and little sense of cumulative building of what could be generally recognized as advances in knowledge (Martin & Frost 2001).

Studies in organizational values have been constantly growing. One normative book was Peters & Waterman's "In Search Of Excellence" in 1982. Peters and Waterman have stated that a company's strategic and business success must be based on *people, values and culture*, not on technology, analyses and calculations. This kind of model spread rapidly and can be found behind many of the leading doctrines of the 1990s (e.g. core competency, value leadership). (Kettunen 1997, 242-244) Even though e.g. Peters & Waterman's book is often criticized, it has its place in management literature.

E. Schein's model (1985) about organizational culture is based on distinguishing three levels of culture: *artifacts and creations*, values and basic assumptions. Schein believed that the most visible level of culture is artifacts and creations (the constructed physical and social environment). At the second level are *values and beliefs*. Cultural learning reflects values. Solutions for how to deal with a new task, issue or problem are based on convictions of reality. If the solution works, the value can transform into a belief. Values and beliefs become part of the conceptual process by which employees justify actions and behavior. At the third level are the *basic assumptions*. They are unconscious learned responses, e.g. when a solution to a problem works repeatedly it comes to be taken for granted. Schein suggests that the basic assumptions are treated as the essence – what culture really is; values and behavior are treated as observed manifestations of the cultural essence. (Ibid. 1985, 17-25) In Finland, A. Paalumäki (2004) has studied how artifacts construct and maintain cultural meanings. The research suggests that artifacts are a way to unpack the self-evidences of organizations and to learn about the dynamics

of culture. In this study, the individuals' perceptions are used to gain knowledge about the organizational values and culture.

Rokeach (1973) defines two different kinds of values: terminal and instrumental values. A terminal value is a desired end state or outcome that people seek to achieve. Organizations may adopt e.g. some of the following values guiding principles: excellence, responsibility, morality, quality. An instrumental value is a desired mode of behavior. Modes of behavior that organizations advocate include e.g. working hard, being honest, taking risks and maintaining high standards. (Jones 2001, 130)

Organizational culture consists of both the end states that the organization seeks to achieve (terminal values) and the modes of behavior the organization encourages (instrumental values). Ideally, instrumental values help the organization to achieve its terminal goals. (Jones 2001, 130)
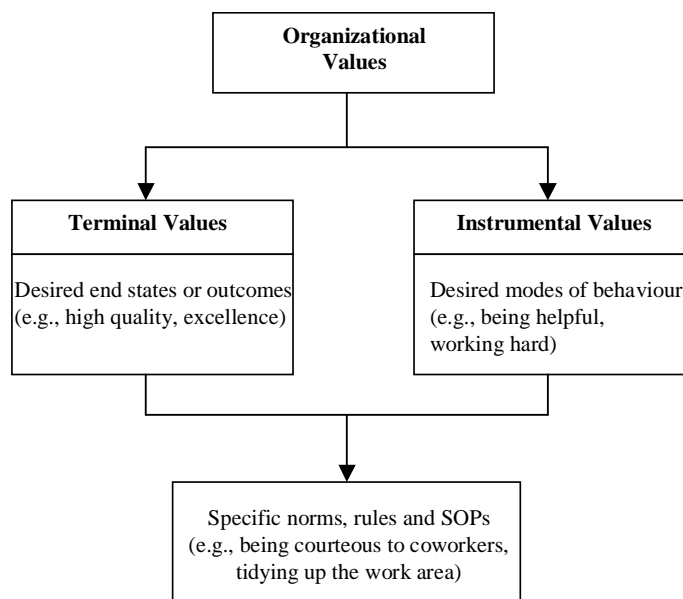
Figure 2. Terminal and Instrumental Values in an Organization's Culture (Jones 2001, 130)

Terminal values are reflected on an organization's mission statement and official goals; they inform the organization members and interest groups that the company e.g. values excellence and has high ethical standards (Rokeach 1973). In order that members understand the instrumental values (the modes of behavior that they are expected to follow as they pursue desired end states), the organization develops norms, rules and standard operating procedures (SOPs) that embody its instrumental values. (Jones 2001, 131)

According to Chakraborty (1991), a deeper theoretical argument is the growing realization that the subjective is always the cause, and the objective is the effect. There lies a piece of profound wisdom: "things are thoughts". The visible output in the form of behavior always stems from an inner subjective milieu soaked in values of one kind or another. The hunch, therefore, is that since values such as patience, integrity etc. are disappearing from society, leaders in organizations being no exception, the moral stamina for judging others on such criteria is also vanishing. (Chakraborty 1991, 142)

1.6.2 Value Management in Organizations

Value management has been studied more during the 1990s. The emphasis has usually been on managers: how they consider the values in organizations and what effects they have on management. For example P. Griseri in his book "Managing Values" (1998) looked at the complexity underlying people's value systems and attempted to explain how and why people do not act ethically every day. He studied the ethical change in organizations. His view can be seen as an individual view as those in this study, but the emphasis is different. In this study, I do not seek answers to the question WHY people DO NOT act according to their values. Instead, I try to find out what the point is of processing values, based on organizational members' perceptions. The individual vs. collective (official, organizational) values are the main subject; what kind of contradiction exists between those two and why. Organizations have responsibilities, but so do the individuals inside the organizations.

G. Kunda (1992) has explored, described and evaluated the reality behind the rhetoric of corporate culture. He emphasizes the historical evolution of managerial ideology; the desire to

bind employees' hearts and minds to the corporate interest. Kunda undertook an ethnographic investigation of the engineering division of a high-tech company considered to be an exemplar of successful culture management. In this study, the emphasis is quite similar to Kunda's: to find out the meaning of organizational values in different organizational cultures through the individuals' perceptions. The ideal of "united values in our organization" remains to be seen by the eyes of the individuals in three different companies.

S. K. Chakraborty (1991) concentrated on Management by Values from an Indian perspective. Studies including organizational values often handle issues such as "strong leadership", "strong organizational culture" etc. The most recent literature often refers to strong management and organizational culture when values are concerned. As a means of managerial intervention, managers may communicate in many different ways their own values on how the organization is or should be/operate and why. (Martinsuo 1999). Communicating and promoting values has included charismatic and visionary leadership in traditional literature (e.g. Peters-Waterman 1982, Kunda 1992, Wilkins 1989, Hatch 1997, Aaltio-Marjosola 1991, Collins and Porras 1991, Sims 1994), and they cannot be separated. Although the manager's role will always be crucial in value implementation, the other personnel's role should also be further studied. One way to highlight this is to ask the personnel's opinions, as presented in this study.

In organization management, values can be seen as official statements, or as a conscious tool for managerial intervention. In the research area of organizational culture, the two approaches are often confused, but the espoused values may differ from the real (used) values (Schein 1985, Kunda 1992, Argyris & Schön 1978, Martinsuo 1997, Martinsuo 1999, Aaltio-Marjosola 1991). Values have been espoused with an aim to increase organizational performance, and point organizational culture towards a desired direction. Management scholars and practitioners have long viewed organizations as manifestations of the underlying values of their founders, managers or members. It has been claimed (mostly by practitioners) that strong organizational culture leads to improved organizational performance and that proactive management can help create the right kind of culture. Although this is true in general, the academic community has been more skeptical. "A recent review of the literature found limited support for a link between organizational culture and performance in the little research that is available, and cast doubt on

whether it is even possible to demonstrate a convincing linkage. A number of scholars believe that strong organizational culture is deeply rooted in both employees' views of reality and a wide range of organizational practices, and is thus resistant to change." (Ledford et al. 1995, 5-6) One characteristic step in an organization's attempt to manage culture is the creation of a high-level task team charged with codifying the company values into a formal statement: if organizational values are basic to the organizational culture, then those values need to be understood, and if necessary, actively shaped (ibid.). The management literature (e.g. Blanchard et al. 1996, Peters & Waterman 1982) seems to take values as a given, as if they existed as unquestionable, objective truths and have a definitive content. In reality, however, values are as much a target of individual interpretation as any other organizational phenomenon (Martinsuo 1999). In this study, organizational culture is interpreted through individual perceptions; when people speak about organizational value processes, they contemporaneously reflect their understanding about "our organization's way of acting", which is often referred to as organizational culture (e.g. Martin 1992, Parker 2000, Rokeach 1973, Schein 1985).

A. Paalumäki (2004) emphasized in her thesis that the artifacts are built on multi-faceted impressions that management must always take into consideration; values have the same characteristics. J. Kujala (2001) has studied how business morality and its change can be described and understood by examining stakeholder relations and moral decision-making. Based on her research, morality in business is moving from individual principles to relations between business actors, and that business and morality are tightly bound together.

The scepticism towards official values is clear and understandable. Merely my own observations during the interviews support this interpretation, taking into account the public opinion in the society and the majority of scientific statements. That is why in this study I want to go deeper behind values as a phenomenon. Instead of seeing values only as a fad or a pure managerial tool, I want to know what the idea is in value processing, when the personnel can give the answers. If values are continuously announced to the whole world as "the" solution to all problems, there has to be some reasonable explanation for it.

1.6.3 Value Promotion in Organizations

Although some case studies on value promotion in organizations have been conducted (e.g. Aaltonen & Junkkari 1999, Martinsuo 1997, Martinsuo 1999, Blackler & Brown 1980), the literature does not provide through empirical accounts on the means for processing values; the real reasons behind the noble words. The value process has been described as a cyclical or stepwise process (e.g. Sims 1994, Robin & Reidenbach 1989). Moral decision making and management's roles and responsibilities have been studied widely in Finland (e.g. Kujala 2001, Lämsä 2001, Halme 1997), but the individual roles in the processes (especially at different hierarchical levels) have not been studied enough. Lämsä (2001), for example, has studied the relationship between organizational downsizing and the manager's responsibility for the downsizing operation in the Finnish context, particularly from an ethical perspective.

Values have been used as a tool for managerial intervention due to their many potential advantages. They are said to provide direction for the organization and its employees by guiding behavior and decisions and expressing organizational culture. Especially management's role has been emphasized in earlier studies, e.g. the book of Peters & Waterman (1982) was normative and gave directions to managers.

Peters & Waterman (1982) maintain:

> "Without exceptions the dominance and unity of the culture has proven to be one key feature for a succesful company. In addition, the stronger and more market oriented the company is, the less are handbooks about the workings, organizational schemes and detailed plans of action and rules needed. In these companies even the floor level employees know, what they are expected to do in most cases, because they have crystally in mind a handful of values."

E.g. Blackler & Brown (1980) have studied Shell's company philosophy program. The case study includes interesting viewpoints on the "new philosophy" desired by the company. Although they describe the Shell case as a "cautionary tale" (ibid., 169) there is much to learn

from the study. The management's role is again emphasized, and the individual vs. organization perspective is considered. Still, in the study, words and deeds seem to get lost from each other. It is not merely all about the organizational culture, top management or outside consultants: an organization always consists of individuals, who have their own subjective values. This area has not been covered enough in earlier literature on studies of value processing.

In Finland, studies on values have been on the increase ever since the beginning of the 1990s. Aaltonen & Junkkari have written a great deal on value processes and business ethics. In one of their books (1999), Aaltonen and Junkkari connect the value debate to ethics. They describe value processing through company examples, with successful and unsuccesful value processes. In another value-related book (with Heiskanen and Innanen, 2003) Aaltonen introduces examples and exercises which help people to find out the idea behind the value discussions and their own personal values.

M. Martinsuo has studied value processing in two Finnish companies, Outokumpu (1997) in her licentiate thesis and Nokia (1999) in her dissertation. Her dissertation focused on the promotion of values as a managerial intervention tool where employees' organizational beliefs are the target and context of intervention, values are the vehichle of intervention, and the process and practices for promoting values act as ways of implementing the intervention. In her dissertation, Martinsuo focuses on the promotion of values as a way for organizational managers to influence operations in a multinational enterprise. The study concentrates on one part of organizational culture, namely the organizational members' beliefs as a potentially malleable target of managerial intervention. Values were introduced as a sufficiently abstract and general vehicle for influencing organizational beliefs, while the promotion of values means the practices and procedures are used to increase value-related awareness and action. The results of the thesis confirmed organizational beliefs as the malleable target of managerial intervention, particularly when the firm maintains a proactive stance towards its environment.

The value dissemination is illustrated through company examples by both Aaltonen et al. (1999, 2003) and Martinsuo (1999). This recent literature can be considered as a good aid to companies

promoting values, although the actual impact of disseminated values (seen by the eyes of the individual) is left without attention. In this study, this area is studied further.

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│   Define the problem (*1)   │
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│   Generate and evaluate     │
│   alternatives (*2)         │
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│   Select an alternative (*3)│
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│   Implement the selected    │
│   alternative (*4)          │
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│   Monitor results (*5)      │
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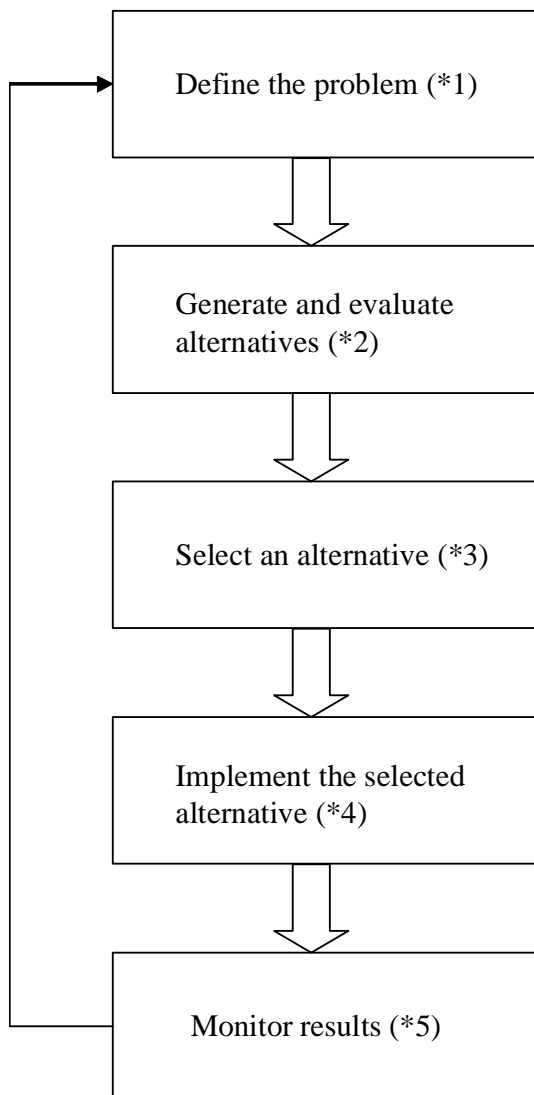
Figure 3. A typical rational model of the decision process with feedback control element (*1, *2, *3; *4; *5 added) (Hatch 1997, 273)

The basic elements of the value process can be compared to a typical rational model of the decision process. As will be presented in forthcoming chapters, in all three case companies values were first defined by the head office, and then disseminated to the local level. First, the value process (or the need for it) is defined (*1). Second, the alternatives (different values) are generated and evaluated (*2). Then the best alternatives/values are selected and processed (*4),

and finally, the results are monitored (*5). In this study, the emphasis is on the last (*5) stage of the process. Very often the value process is described from the value definition to the dissemination, but the real results are ignored. I wish to contribute to this area. Values are published officially in annual reports etc. as "goals", just as profits. Still, I have rarely seen the value process, especially the RESULTS (feedback, control), presented in the subsequent official reports, as the profits are (many times a year). "Generally, companies follow the same 'values cycle': They articulate a set of corporate values and attempt to embed them in management practices, which they hope will reinforce behaviors that benefit the company and communities inside and outside the firm, and which in turn strengthen the institution's values" (Van Lee et al 2006). But why do companies espouse values if there is no real control or feedback after the processing? What is the role of organizational members, "the most important resource", in all this? Recent literature has not contributed enough to this area. In this study, the organizational value process is explored through the individuals' perceptions and roles: from the "start" to the "results". The basic (official) value process can be described as in the picture above: organizational values are always a selection of different alternatives. Within the basic process, every company acts in its own way (e.g. who choose the values, who implement them etc.).

2 RESEARCH ON VALUES IN THE HISTORY OF ORGANIZATIONAL THEORIES

In this chapter, I will introduce some basic trends that have affected the field of organizational values research. This is necessary because to understand the present and future we need to understand the history and its influence on value research. People's expectations of work, professional life, leadership and companies have varied throughout the decades. According to Ahonen (2001, 33), however, we can generally say that in the spirit of the welfare state ideology, satisfaction at work, individual autonomy and possibilities to express oneself have gradually become permanent basic values. (Zuboff 1990) Another fact that has become evident is that the greatest threats to these basic values are Taylorism and the bureaucratic model of the organization (Eccles-Nohria, 1992). These values develop and change along with the organizations and people. The organizational culture and physical environment develop and change with the values.

The question of values emerged in the corporate management culture of the 1980s. They have, however, been researched even earlier, and e.g. studying the history of the development of Western values can be considered, according to Ahonen (2001), as the central goal of Nietzsche's philosophy. To Nietzsche the essential point of philosophy is not to study the development of these values as such but above all the value of these values. Deleuze (1962) interpreted Nietzsche's philosophy as two-dimensional: firstly, issues are examined with regard to their value, and secondly, this value is examined against the origin that determines it. Nietzsche calls this kind of critical philosophy genealogy. In any case, in the 1980s the "more, faster and cheaper" ideology was rivaled by "better, higher-quality and more innovative" production (Blyton and Turnbull 1992). This was considered to require active participation from every employee in developing the company. In addition, management tasks took a turn for the more symbolic and communicative; directors were rather representative figureheads and coaches maintaining the team spirit. Directors were supposed to create common values, norms and symbols, and communicate and update them; they were to spread the spirit of initiative, creativity and innovativeness over the entire organization through their own example. (e.g. Peters-Waterman 1982, Ahonen 2001, 34)

Despite the numerous theories in the field of management and organizations, most researchers recognize a distinct main tendency in the discussion. In the classic theory of Bendix (1956), this tendency includes an ever stronger commitment to the social and psychological aspects of work and its organization. Organizations can operate efficiently by taking values, attitudes and feelings into consideration and by influencing them. The main idea in the discourse of theorists such as Bendix and Drucker on the theoretical-historical development is that current corporate leadership has begun to emphasize the importance of normative control, controlling the conduct of employees by influencing their values and attitudes - by obtaining "moral authority" over them. (Ahonen 2001, 68) Bendix described managerial ideologies as ideas which are espoused by or for those who exercise authority in enterprises and which seek to explain and justify that authority (Hatch 1997, 344).

At the turn of the century, F. W. Taylor proposed applying scientific methods to discover the most efficient working techniques. His system undermined the authority of the workers by introducing managerial control and supervision, and by offering differential pay for performance which eroded worker solidarity. (Hatch 1997, 30-31; Viitala 2003) The "Taylorism" and "efficiency madness" crumbled in the recession at the turn of the 1920s and 1930s and made way for more humanistic doctrines. In the past twenty years, these humanist theories have played a pivotal role in organizational discourse. However, the points of emphasis alternate, which is indicated e.g. by the fact that the well of ideologies of the school of human relations started to dry up after a quarter of a century. The cultural hegemony of a certain theory at a certain point in time is never based solely on the internal laws of a field of science. It is always influenced also by external social factors (Alvesson 1987; Kusch, 1993).

For instance, Drucker (1969, 330) expressed his antipathy quite clearly by stating that the expression "a happy employee is an efficient and productive employee" is merely a half-truth, at best. According to Drucker, the purpose of a company is not to spread happiness but to produce and sell its products.

2.1 "New" Values in Organizational Studies

A different kind of era for strategic thinking began with Henry Mintzberg's "amoeba-like" strategic theory. He saw strategy as an organic creature; strategies are born, they die, and are reshaped even during and after they are actually and officially formed (Mintzberg 1987, 89-100). Mintzberg's objective has been to create as realistic a picture as possible of the strategy process. It has been said that the Mintzbergian view has had a great impact on the current emphasis of continuous strategic learning. (Näsi 1987, Ahonen 2001)

Design systematics was finally abandoned when Peters & Waterman published their book "*In Search of Excellence*". With his colleague J. Bennett in the late 1970s, Peters published a report on organizational efficiency and productivity. According to the report, the traditional thinking that emphasizes strategy and structure has reached the point in its life cycle that additional investments bring no additional profit. Additional profit should be sought from "softer" factors, such as leadership style and culture. This created a strong antirational theory, which was hostile to design systematics:

> "Professional leadership has been considered as the application of cold reason. The rational model undermines the importance of values. Bold changes in direction in a company are rarely incited by goal-setting or reasoned analysis. And even if they were, the most important decisions may still be based more on values than figures. Top businesses create an all-embracing, uplifting culture as the framework for innovations by passionate people. Their ability to induce large masses to excel in what they do is based on conveying a sense of value and purpose to the employees." (Peters-Waterman 1983, 23, 47, 69)

As mentioned earlier, Peters and Waterman have stated that a company's strategic and business success must be based on *people, values and culture*, not on technology, analyses and calculations. This kind of model spread rapidly and it can be found behind many of the leading doctrines of the 1990s (e.g. core competency, value leadership) (Kettunen 1997, 242-244). Peters and Waterman's book for its part offered an opportunity for symbolic-interpretive

organization theorists who wanted to venture in new directions (Hatch 1997, 201). Even though it is often seen as a normative book for managers, it has largely influenced the history of value research.

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).

The general impression of the discourse during the 1990s underlining re-engineering and flexible strategies is that it has – once again – seriously underestimated the significance of human psychology, values, security and trust (Ahonen 2001, 101). This is also the conclusion of Prahalad and Hamel (1994) and Collins and Porras (1996). The latter two claim in their publication *"Built to Last"* that the one thing top US companies have in common is that their core values have barely changed. They have set long-term goals and invested in developing their processes along with the skills of their personnel. In the 1990s, re-engineering was challenged by core competency. It combines traditional competitiveness and resource thinking with personnel-oriented human resource thinking. Actual core competency was defined as expertise created within the company: acquired resources must be developed into an entity which is difficult to duplicate and creates a competitive edge. (Conner-Prahalad 1996, Kettunen 1997)

At the end of the "century of corporate management" the situation was paradoxical. In today's leadership and organizational discourse an ideal employee is independent, active, and willing and able to learn (see Otala 1996; Juuti 1992; Nonaka-Takeuchi 1995). Yet e.g. part-time and fixed-term employment relationships keep increasing. (Ahonen 2001, 103) So, human resources are still in a way a company's most important asset, but only on the company's own terms. Or are they?

2.2 Humanist Viewpoint in Organizational Theories

The major part of leadership and organizational discourse has been carried out in the spirit of the school of human relations (see Bendix 1956; Wren 1972), or at least that is the impression one easily gets (Donaldsson 1995). This person-oriented thinking strongly accentuates the significance of values, attitudes, emotions and psychology in general, along with the role of working groups, teams and culture in the guidance and control of organizational activity (Ahonen 2001, 104).

The humanistic position or the theoretical discourse involving the position and treatment of corporate employees has developed in three main stages, which naturally are not unequivocally distinct from each other: firstly, the 1930s to the 1960s was a psychologically oriented stage called the school of human relations classics during which the concepts often referred to in human resources oriented literature were created (Wren 1972).

The second stage or the stage of the quality movement for professional life began with the social radicalization of the late 1960s and ended with the economic crisis of the late 1970s. This phase differs from the first one in that it did not produce new "great theorists", such as Mayo, Maslow or McGregor, but rather refined their thoughts and tried to implement them in practice. In other words, this stage was very practically oriented in comparison to the more theoretical classics stage. In the second stage, human resources management as a separate function became one of the established, pivotal parts of modern business activity. (Julkunen 1987)

The third stage can be called the stage of HRM or more loosely interpreted the period of cultural leadership. The political and ideological charge specific to the previous period was clearly left on the sidelines when the new stage rolled around, and human resources were considered more as a pure efficiency and expediency matter. (Ahonen 2001, 104-105) Personnel received an even stronger role as a basic strategic factor parallel to decisions involving products, markets and technology (see Blyton-Turnbull 1992; Barley-Kunda 1992). The development of the subculture school was contributed by Barley and van Maanen (Hatch 1997, 226).

More specifically, the discourse that started with the human relations school and evolved into a humanist leadership and organizational discourse has no special person behind it, such as Taylor (1911). The most important names and theories mentioned in this context are usually Mayo (1922) and his research, Maslow's (1954) hierarchy of needs, Herzberg's (1966) two factor theory, McGregor's (1960) X and Y theory and Argyris' (1954, 1957) so-called fusion theory and Likert's (1967) views on leadership (Boone-Bowen 1987; Hatch 1997; Viitala 2003).

A very significant part of the theoretical discourse in the school of human relations was built around the social philosophical visions of Elton Mayo. Ahonen (2001) suggests that in an academic sense, the study of Roethlisberger and Dickson (1939), *"Management and the Worker"*, can be considered even more important than Mayo's research. As did Mayo, also Roethlisberger and Dickson pointed out that formalist-rationalist corporate administration always includes human beings who communicate and interact. Mayo's Hawthorne studies are often credited for providing the foundation for the field of human relations. However, it is important to recognize that those events also marginalized interest in physical structure within organization studies by making the effects of physical structure seem insignificant compared to social effects. (Hatch 1997, 242)

In brief, according to Ahonen (2001) the establishment of the school of human relations and especially the subsequent human resources oriented thinking was influenced by a number of theoretical views and studies, partly independent of each other, that approached the same phenomena in the same spirit. After factor analyses, researchers concluded that leadership behavior can be divided into two main aspects: paying attention to the task at hand and paying attention to people. (see Blake and Mouton 1964, Fiedler 1967) All in all, the classics of the human relations school have maintained their crucial role in leadership and organizational discourse as so-called theoretical-historical turning points. Their basic ideas have been worth holding on to even though they quite evidently require specification (Julkunen 1987, 51-53).

The quality movement for professional life or the humanistic wave was very multi-dimensional and contained concepts related to the different levels, tools and possibilities for the humanization of work. It always included a certain common core group that planned new forms for organizing

work, i.e. the work itself was the target of interest (Julkunen 1987, 11-12). The key idea behind the discourse involving new organizational forms was that the content of work could be influenced positively by reorganizing the work: in a nutshell, it was a question of so-called rebellion against the assembly line (Walton 1974, Silverman 1970).

Starting in the early 1980s, the theoretical discourse around human resources and their position has had a different tone than in the previous stages, i.e. the human relations school and quality movement for professional life (Barley-Kunda, 1992, Legge 1995). The starting point for the change in the general tendency has first and foremost been the fact that in the deepening international division of labor, Western companies have had difficulties in building their strategies on mass production and cost management (Alasoini 1993, 87-93).

HRM refers to the view that a company's capital is tied to human resources just as to other production factors. This means that the human resources function needs planning, development, evaluation and management as do other sectors of the organization. The central idea of the HRM approach is the integration of the human resources function into the corporate strategy alongside products, markets and technologies. (Lähteenmäki et al. 1996, 11-14) One of the main differences between traditional personnel administration and HRM is related to their application areas: the object of personnel administration was usually the staff and the agent was management, whereas in HRM both the employees and management are the object. Sisson (1990) has raised cultural management as one of the decisive differences. The well-known works of Peters and Waterman (1982), Deal and Kennedy (1983) and Schein (1985) triggered a general corporate culture craze. The so-called Harvard model can be considered as one of the best-known HRM approaches. It accentuates open communication, the social importance of teamwork and an individual's possibility to express himself or herself. (Ahonen 2001, 127-128) The Harvard view on "cultural leadership" is, however, only one side of the HRM discourse; according to the Michigan school, the primary goal of HRM is to produce efficiency and a competitive edge, and psychological individual satisfaction is only the secondary goal (see Jarrell 1993; Starkey-McKinlay 1993). This division of HRM into so-called softer and harder approaches has been maintained also in later stages (Storey 1989). In brief, HRM reflects

attempts to redefine the significance of work and the relations between individual employees and employers (Crainer & Dearlove 2004).

2.3 "Hard" vs. "Soft" Values

Throughout the times, leadership and organizational discourse has in its way developed new revolutionary visions and aimed at questioning the "old ways" of handling management and organizations (see Kieser 1997, Eccles-Nohria 1993). All through history, "hard" and "soft" normative approaches have alternated in the leading cultural position. (Ahonen 2001, 68) As decades have passed, they have formed into one entity in which different aspects are emphasized at certain intervals. In the end, the emphases have been determined by the current "social demand". Ahonen (2001, 274) states that it is natural that the objective has been to create "new" organization models to help decrease bureaucracy. Mayo's human-oriented views are no doubt psychologically more appealing than Weberist bureaucratic theses or Taylorist rationalization models (see Soper et al. 1995). The basic metastory in leadership and organizational discourse always seems to remain the same: it in a way keeps repeating the same cultural story, which is built above all on the main ideas of the school of human relations and the HR tradition. The central element of the story is the concept of individual motivation, the individual as a human being who fulfils "higher needs" and seeks challenges, freedom and autonomy (Maslow 1954; Hetzberg 1966; McGregor 1960). Therefore, organizations must be as low and unhierarchical as possible and be based on leadership culture and openness (Ahonen 2001, 275).

The previous time in which the metastory and its emphases were changed can be explained with what the clear majority of people wanted: financial well-being, personal freedom and equality. (Rawls 1989; 1989) For instance Fukuyama (1992) and Baudrilland (1995) have claimed that if history is considered as the manifestation of new cultural phenomena, it has already ended; in other words, there are no formidable opponents on the horizon for the three basic values mentioned above. However, we should keep in mind that even in an ideal organization there are always differences and inequality between people (Fukuyama 1992, 353-367). More generally, it is a way of thinking in which modern "hierarchies" are more pronouncedly structures of values and symbols that classify people socially (Miettinen-Saarinen 1991, 90).

Ruthlessness, devastation and immorality incorporated with intellect and imagination may be a winning combination in politics and business. Abnormal and paranoid characteristics that are the most dangerous in leaders are the same characteristics that are the most suitable for seeking positions of power in a competitive culture such as ours. (Gaylin 1991)

Ahonen (2001, 287) maintains that it is easy to see that one of the most important catalysts of human activity is the need for recognition. This also has its problems with regard to the organization and its culture: according to Deal and Kennedy (1982, 66), modern leaders who accentuate humanity may at the same time undermine the values on which the company's culture is founded. Modern heroes in business may end up being tough and callous to promote their own goals and views in the activity of the company - the same views and goals that made the company strong. On the other hand, I feel that a social demand for value culture and value leadership exists, and not necessarily at the expense of business. For instance, the common conception of employees being the most important asset of a company manifests an ideal reality and articulates the key part of the modern corporate illusion, that is, what organizations and managers wish they were (Guest 1990).

The truth is that no manager/organization can perfectly create a "perfect system" satisfactory to all (Miller 1997, Heifetz 1994), but there is always room for improvement.

Discourse on efficient leadership in organizations in the important forum called professional life supports, maintains and reforms the basic values of well-being, freedom and equality by which the majority of people in the Western world stands. In other words, it is part of the mechanism that teaches and conveys basic cultural values. This, in turn, explains why themes related to regimen have changed surprisingly little since the classical era. The basic principles have remained the same or they have, at most, become more detailed and sophisticated. (Foucault 1998a, 354, 1998b 45-46)

2.4 Organizations' Ethical Activities Today

Companies' ethical activities affect everything around them. This can be demonstrated by a figure of "ethical business circles".

THE COMPANY AND THE COMMUNITY

RELATIONS WITH OTHER COMPANIES

CUSTOMER
RELATIONS AND MARKETING

INSIDE
THE COMPANY

Discriminations;
confidentiality;
teleworking;
loyalty

Pricing and advertising of
goods and services

Payment of suppliers; suppliers' work practices;
mergers and acquisitions;
insider trading

Self-regulation; cultural diversity; bribery;
the environment;
community relations

Figure 4. Ethical Business Circles (Mullins 1999, 152)

The innermost circle encompasses the internal workings of the business and the way in which individuals and colleagues are treated. The second circle provides the opportunity to concentrate

on the ethics of customer relations and marketing, including pricing and advertising of goods and services. The third circle focuses attention on relations with other companies, including timely payment to suppliers, working with suppliers who may mistreat their employees, and ethical aspects of mergers and acquisitions and insider tracing. Finally, the fourth circle considers how the company relates to the locality in which it is situated and covers such topics as self-regulation, cultural diversity, bribery, the psychical environment and working with the community. (Mahoney 1997)

In this study, the main focus is on the inner circle: internal workings of the company from the values perspective. The other circles have been widely covered in recent literature, but the individuals inside the organization (members of the organization) in relation to value processing have been mostly ignored.

Cultural values are developed to control members' behavior. Ethical values fall into this category. Organizational ethics are the moral values, beliefs and rules that establish the appropriate way for organizational members and the organization's environment (Jones 2001, 140). In this study the value processing is studied through individuals, who through their perceptions represent the organizational culture. In a way, the organization seeks to improve performance through creating common values. Then individuals contemplate the values and decide what their position on the particular matter is. The role of individuals is important at the management level, but they are also important at other hierarchical levels of the organization.

3 VALUE MANAGEMENT IN ORGANIZATIONS: FROM FAD TO MANAGERIAL PRACTICE?

Earlier I took a brief look at the historical background of value research. In this and next chapter, I will present the theoretical perspectives of this study. Since my viewpoint on value studies is strongly connected to organizational culture, management and the individual's role, cultural aspects and transformational leadership are introduced here. Values and value management are also closely related to psychological contracts and trust. After all, in organizations the personnel's well-being is often culminated in the treatment of employees: the management's behavior and trust between people. Trust and respect between individuals is needed through the whole organization, from the top to the personnel and vice versa. As I previously argued in this study, values are often poorly implemented, or at least poorly controlled. In this research, I study the process by asking the personnel; from top management to the grassroot level.

In organizations, value management happens through the people. It can be questioned whether values really can be managed in organizations. It is possible only after the management has made a commitment to do so by controlling value implementation. The management also needs to be allowed to manage values; the previously mentioned role of employees should not be ignored, although the management's role in value processing is undeniable.

Values can be seen as a strategic tool to achieve the company's goals. It is the responsibility of managers to manage and achieve results through the efforts of people. This involves the effective management of human resources. The way in which managers exercise their authority and carry out their responsibilities is important. (Mullins 1999, 242) Business strategy is concerned with the match between the internal capabilities of the company and its external environment (Crainer & Dearlove 2001, 245).

The ability to relate well to people has always been important, but that ability is more important today than ever before. It has been said (Mullins 1999, 243) that in a nutshell HR is all about driving improvement in motivation and morale – to the point where people feel they are getting a fair quid pro quo for their contribution to the company.

Companies that do the best job of living up to their values and developing ethical employees, including managers, recognize that the real cause of success — or failure — is always the people, not the fancy words. Rather than wasting time on reinventing words about desired leadership behavior, companies should ensure that leaders get (and act upon) feedback from employees — the people who actually observe this behavior. Rather than wasting time on changing performance appraisal forms, leaders need to learn from employees to ensure that they are providing the right coaching. "Ultimately, our actions will say much more to employees about our values and our leadership skills than our words ever can. If our actions are wise, no one will care if the words on the wall are not perfect. If our actions are foolish, the wonderful words posted on the wall will only make us look more ridiculous." (Goldsmith 2006) The management sets an example and this role is undeniable: they have to be the first examples to the personnel.

Still, the individual inside the organization needs to be taken into consideration. The organizational culture today seems to have less collectivity than before. The promotion of values can be seen as a way to create unity and collectivity in organizations. Individuals are different, and their attitudes are different. Tendencies toward individualism and collectivism exist within every individual and in every society and organization. Within any culture there are people who act more like collectivists and those who act more like individualists. (Triandis 1995) This brings more and more challenges to constantly growing organizations, especially when value processing is concerned.

3.1 Transformational Leadership in Organizations

Modern organizations must constantly tackle continuous change and new environments. There are continual challenges with regard to the established goals, structures and ways of working of organizations. Transformational leaders fundamentally "transform" the parameters of the *status quo* through providing a vision for the future and then investing time and effort into having others share that vision. Through sharing the vision, they clarify the present, explain how the past has been of influence and promote a view of the future. They deeply penetrate the soul and

psyche of others and thereby raise the level of awareness that rejuvenates people to strive for ever greater ends. (Crainer & Dearlove 2001)

Most modern day organizations are of a divergent nature. The matching leadership style is transformational. A transformational leader is one who engages in emotions. He identifies the importance of motivation, achievement and praise. This type of leadership is highly dependant on employee empowerment, as it encapsulates the ideal of trust rather than control. Through this type of leadership, others are empowered, but leadership is still essential for success. Transformational leaders oppose the status quo and aims to change the behavior and beliefs of their followers to unite them behind a new vision for the future of the organization. (cimru.nuigalway.ie)

3.2 Organizational, Professional and Individual Ethics

Organizational ethics are a product of societal/organizational, professional and individual ethics. (Victor and Cullen 1988)

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        ┌─────────────────────────┐
        │   Societal Ethics or    │
        │  Organizational Ethics  │
        └─────────────────────────┘
                    │
                    ▼
  ┌──────────────────────────────────────┐
  │  Organizational Ethics               │
  │     The moral values, beliefs, and   │
  │     rules that establish the         │
  │     appropriate way for              │
  │     organizational stakeholders to   │
  │     deal with one another and with   │
  │     the organization's environment.  │
  └──────────────────────────────────────┘
       ▲                            ▲
  ┌──────────────────┐      ┌──────────────────┐
  │ Professional     │      │ Individual       │
  │ Ethics           │      │ Ethics           │
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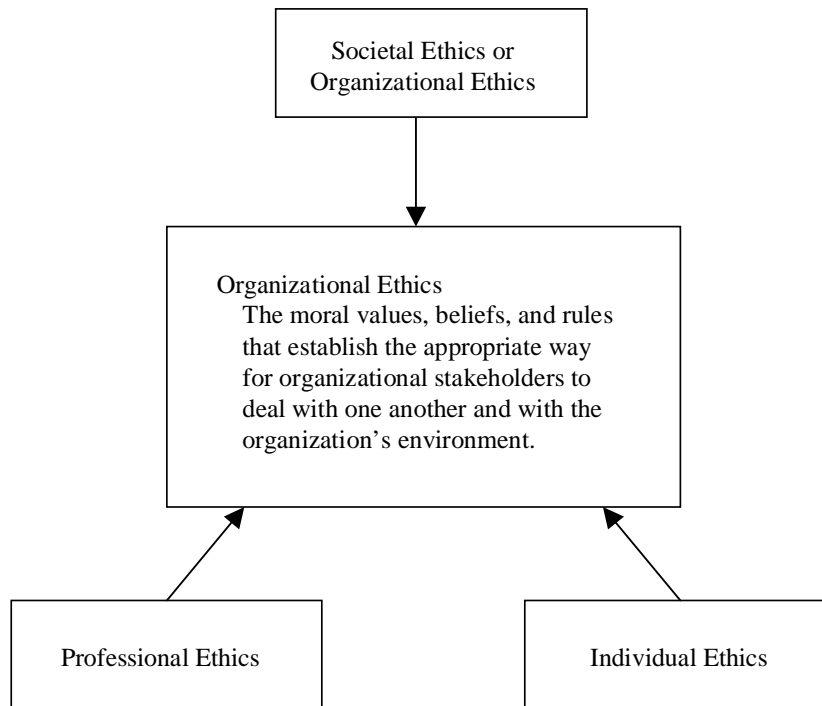
Figure 5. Factors Influencing the Development of Organizational Ethics (Jones 2001, 141)

The ethics of society in which organizations exist are important determinants of organizational ethics. Societal ethics are the moral values formalized in a society's legal system, in its customs, practices and the unwritten norms that people follow in their daily lives. Most people automatically follow the ethical norms and values of the society in which they live because they have internalized them and made them their own (Kohlberg 1969, 347-380).

Professional ethics are the moral values that a group of similarly trained people develop to control their performance of a task or their use of resources (Frankel 1989). Everybody has definitely heard e.g. about professional ethics for lawyers, doctors, researchers and accountants. Every profession is guided by a set of values and beliefs (Seevers 2000, 71).

Individual ethics are the personal moral values that individuals use to structure their interactions with other people. In many instances, personal ethics mirror societal ethics. But personal ethics are also the result of an individual's upbringing and may stem from family, friends, church or some other social organization. Behavior that one person finds unethical may be considered ethical by someone else. As long as the behavior in question is not illegal, individuals may agree to disagree about their ethical beliefs (Jones 2001, p.143). In organizational value processes, individual ethics has a central role: the organization (managers) start the value process, but the role and responsibility of the dissemination continues at the employee level, as well.

Another potentially powerful influence on ethical decision-making are the group norms which delineate acceptable standards of behavior within the work community – in small teams, departments or the entire organization. Group norms essentially express the way in which things are, or should be, done in a certain environment, and may well conflict with the official rules and procedures laid down by the organization. (Crane & Matten 2004, 135) The group norms can help individuals to feel connected to the organizations, e.g. when values are processed. Individuals who share the same vision inside an organization feel more committed and motivated in their workplace (Hatch 1997).

3.3 Values and Cultures in Organizations

The cultural emphasis is also an important factor, since the organization culture has a tremendous influence on value processes. Cultural analysis, in one way or another, always reacts to texts of the world or the world of texts by creating new texts (Czarniawska-Jones 1995, 20). In this study the main theme is value processing in organizations. To be able to understand the theme in general, there are some important issues to handle. Organizational culture is naturally an extremely important factor in value processing. "Values in organizations are primarily communicated to its members through the organizational policies that most directly affect them. Furthermore, changes in the values impact organizational culture." (Bell 2005) The effects of organizational culture, management and the treatment of personnel are important facilitators in value processing. After all, nowadays employees want more than just a pay cheque at the end of

the month. Values are in tune with the new business environment, where passion and energy are seen as a source of competitive advantage. (Dearlove & Coomber 2001, 199)

Organizational culture is based on relatively enduring values embodied in organizational norms, rules, goals etc. People within organizations draw on these cultural values in their actions and decisions and in dealing with ambiguity and uncertainty both inside and outside the organization (Walsh & Ungson 1991, 57-91). The management's role in shaping the organizational culture is crucial. If the management is values-inspired, it can positively affect the organizational members and culture.

Values-inspired culture-building within organizations demands both a clear, sound, coherent and transmundane philosophy as well as a firm dedication to details in its translation into thought and action. The transmundane base of values structure is emphasized because it is only from this raised platform of viewing oneself in relation to others in the organization, society and the nature that one can recognize one's pettiness of means, within given ends, and feel the urge to elevate them to dignity. Dedication to detail means evolving certain common ways of thinking, speaking, responding and behaving in different situations. Without such a scheme no transmundane philosophy can permeate and breathe life into organizations. It is here especially that culture-specifity as a medium cannot be brushed aside (Chakraborty 1991, 117).

According to Seevers (2000), values are enduring because they are neither completely stable nor unstable, but rather change in accordance with the changing social, physical and spiritual environments of individuals and groups that embrace them. Like all beliefs, organizational values have cognitive, affective and behavioral components which continually interact and are exhibited in the actions and behaviors of the organization's members (Rokeach 1973).

The current trend is that organizations want to define their most crucial values in public, so that both the organizational members and interest groups know what kind of values guide organizational actions. Some "hidden" values or norms of action still remain, but the trend is to create and display values that support organizational culture and image. On the other hand, one can always argue about the real values: the written and the ones "used" in reality.

3.4. Subcultures in Organizations

The subcultural approach in one of the views used in this study; the differences between managerial and employee perceptions are considered. Subculture researchers have proposed a few frameworks for describing subcultures in organizations. Siehl and Martin (1984) say that subcultures are defined in relation to an organization's overall cultural patterns, especially with respect to the culture's dominant values. In this view, subcultures are classified according to whether they support, deny or simply exist alongside the dominant values of the overall culture. The cultural "patterns" are in this study seen through values. Enhancing subcultures supports the dominant values with enthusiasm, whereas countercultures defy the dominant values of the larger culture of which they are a part. Another group of researchers distinguishes subcultures on the basis of occupation, work group, hierarchical level, and previous organizational affiliations. (Hatch 1997, 228) In this study, the division in empiria is made into three: top management, management and employees (+ the individuals who have been carrying out the value processes). The work groups etc. inside these three groups are not presented: the anonymity of the interviewees is therefore assured.

3.5 Values and Psychological Contracts in Organizations

One significant aspect of the relationship between the individual and the organization is the concept of the psychological contract. Values have an important role in psychological contracts, especially when they are seen through the words vs. deeds processing, such as in this study. A psychological contract is not a written document, but it implies a series of mutual expectations and the satisfaction of needs arising from the individual-organization relationship. It involves a process of giving and receiving by the individual and by the organization. (Mullins 1999, 24) People want to feel secure in their organizations. According to Rousseau (1995), promises about the future are the essence of contracts. Contracts, both unwritten and understood, are a pervasive aspect of organizational life. Nonetheless, it is common to think that corporate turmoil and economic competition have made loyalty, trust and commitment things of the past. Managing more extensive ties to many people requires new commitment to employment, services, communities etc.

Society

Negotiation

Firm

Psych.
Contract

Psych.
Contract

Individual

Global Environment
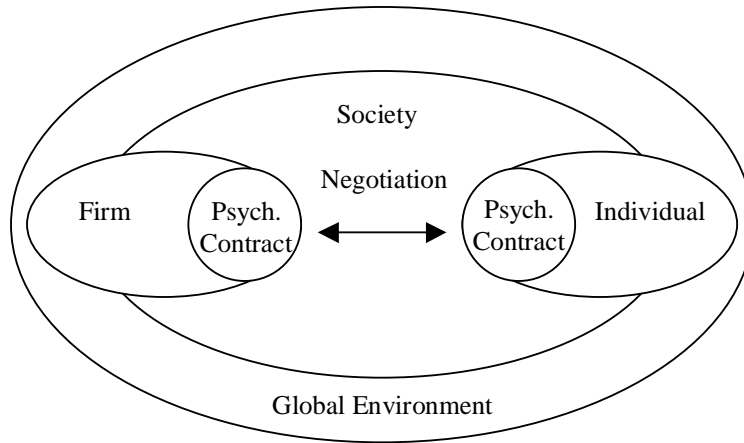
Figure 6. Key Contexts for Psychological Contracting (Rousseau and Schalk 2000, 2)

Two sets of factors operate in forming the psychological contract: the *external messages* and social cues from the organization/social setting and the individual's *internal* interpretations, predispositions and constructions. (Rousseau 1995) The psychological contract represents informal, unwritten understandings between the employer and employee(s) (Arnold 1997, 39)

The messages organizations send and the social cues workers and work groups provide are basic external contributors to psychological contracts. Organizations convey commitment through events signalling intentions for the future. Events expressing plans for the future naturally signal commitment. Organizations express various forms of commitment in an ongoing and relatively continuous fashion. Behavioral events which involve communication of promises include overt statements, observations, expressions of organizational policy and social constructions. (Rousseau 1995)

Values seem to offer a handle on the changes taking place in the relationship between individuals and organizations and the need to create a new framework for the future based on mutual self interest. In recent years, a number of developments (including the transition to non-hierarchical corporate structures, increased mobility and the end of the jobs for life culture) have undermined the traditional organization framework, and the relationship between employer and employee. The old psychological contract – whereby workers gave their loyalty and

commitment in return for job security – has been swept away. In its place, companies need to find new ways to establish a bond with employees. There is growing support for the idea that values have an important role in this: they can build bridges between employees and the company. (Crainer & Dearlove 2001, 203)

Overt statements are perhaps the most powerful since they have the potential to actively manage the meaning people ascribe to an organization's actions and expressed intentions. Observations of how others are treated are a readily available source of information regarding one's own relationship with the organization. Observations send messages in two ways: proactively, when the organization initiates some action that individuals must react to and interpret (e.g. promotion, layoff) and passively, when organizational actions are monitored by individual employees needing further information about their status and relationship to the organization. In essence, organizations are always sending messages – intentionally or not. On the other hand, even when messages are deliberately conveyed, people pay attention to them only when motivated to do so. Because information is processed episodically rather than continuously, some observations will have more impact than others. (Rousseau 1995)

Expressions of policy include an organization's documents, compensation systems, titles, promotion practices etc. Although seemingly objective, these are subject to interpretations also. Messages abound in corporate personnel practices. Social cues are the information acquired from one's co-workers or work group. They play three different roles in the contracting process: providing messages for contract creation, conveying social pressure to conform to the group's understanding of terms and shaping how individuals interpret the organization's actions. (Rousseau 1995, 39)

Internal processes play an important role in contracts. Messages that individuals actually receive and the way they interpret this information influence the contract they create more than the messages that were sent. Encoding the message signifies the process individuals use to interpret organizational actions as promises. (Rousseau 1995, 40) This is important in value dissemination: how individuals interpret and perceive value processing in their organizations.

The characteristics of the individual affect how encoded information is used. According to Rousseau (1995), the two important factors of individual predispositions are cognitive biases, which appear to be information processing styles that can be generalized, and career motives that are person specific. Decoding reflects the judgements an individual makes regarding the standards of behavior that must be met to fulfill commitments made by them and by the organization. In short, psychological contracts are based on information available to individuals regarding their organization, their work groups and their own motives. (Ibid. 1995)

3.6 Values and Trust in Organizations

Values, trust and respect are interconnected in organizations. As indicated by Crainer & Dearlove (2001, 340), trust is a complex psychological contract that gives employees comfort in taking action. The higher the level of trust that management can generate, the greater the level of empowerment achieved. "People generally respond according to the way they are treated. Make people feel important and give them a sense of personal worth. Give full recognition and credit when it is due and let people know you appreciate them." (Mullins 1999, 226). Respecting the individual creates trust, which in turn makes people more motivated. These factors are important in value processing.

The question of trust goes well beyond impressions of a person's reliability, friendliness and so on. It is an orientation that grows out of a reciprocal pattern of interrelationships. What is internalized is the result of orientations towards oneself and towards another, including expectations built over a series of interactions and norms of how to behave towards one another. (Deutsch 1960 in McCall & Cousins 1990, 28)

The existence of trust is an essential component of all enduring social relationships. As mentioned earlier in this study, the definitions of trust include the idea of the individual as the final repository for rights and values. It is the individual social actor, the citizen of the nation-state and not any collectively defined, primordial or corporate entity who is seen as at the foundation of the social order and around whom the terms of social trust are oriented. (Seligman 1997, 14)

Organizational values set acceptable or expected norms or bounds of behavior for the members of the organization. (Bell 2005) Trust lies in the organization, between the organizational members. Berger & Luckman claimed (1967) that many of the most powerful and crucial values of organizations are not written down. They exist only in the shared norms, beliefs and ways of thinking and acting that people use to relate to each other and to outsiders and to analyze and deal with problems facing the organization. Members learn from each other how to behave in different situations. Over time they internalize the organization's values and the specific rules, norms and SOPs that govern behavior; organizational values become a part of people's own value systems and it affects their interpretation of different situations. (Jones 2001, 131)

Trust is an important cornerstone when value-based behavior is pursued. "Trust is an incremental process which depends on interacting parties gradually revealing more about themselves. Total openness is only safe when acceptance by both parties is guaranteed. It is dangerous when goals are incompatible and acceptance is in no way guaranteed." (McCall & Cousins 1990, 31) The relationship between individuals and organizations makes trust an interesting factor when values are processed.

4 RESEARCH DESIGN OF THE STUDY

When defining values or ethical codes, the process is as important as the result itself. Dealing with values is a continuous process, and the way values are defined already expresses a great deal of the company's values. A good value process includes both ethics and efficiency values. The value process is a good basis for ethics. (Aaltonen and Junkkari 1999, 229) This research concentrates on these value processes and their elements: the basis, the targets and the individual perceptions of the dissemination process.

In this research I study three different organizations (forest industry, bank and retail cooperative) and their value processes: how people describe company's values, how values are being disseminated, what kind of values lie behind the "official" ones etc. Organizations are comprised of individuals with unique ideas, beliefs, attitudes and perceptions which collectively comprise the members' values (Seevers 2000).

I study how values are processed in different companies: by whom, when, how and why? 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 were "made" in the head office and then disseminated locally. Each company has its own way of carrying out the process. One of the most interesting issues is organizational members' perceptions and opinions about the value process. Interviewees from different hierarchical levels make the study extremely intriguing. This study consists of 75 interviews in three companies.

The case companies are an international, exchange-rated forest company, a cooperative bank and a retail cooperative. There are several reasons why these three different case companies were chosen. One reason was the line of business that each of them represents in Finland. Especially the forest industry has been the cornerstone for Finland's national economy. Currently, the small local "family mills" (around which usually a whole town was created) have merged into international corporations. Still, it can be said that the forest industry is one of the most important industries in Finland.

The cooperative organizations (the bank and the retailer) also play an important role in Finnish society. The cooperative organizational form is typical for Finland and has a history of over 100 years. The cooperative bank and market represent Finnish society and history very well. (Talka 2006) Finland is said to be one of the leading experts in cooperative entrepreneurship.

One important aspect for choosing these three companies was the local size. The focus is on the local level, although people from the head office are also interviewed. The size of the local units is similar, and each of them has the same kinds of hierarchical levels. This makes the comparison between the companies easier. One special focus is on the "form" of the organization: how does the exchange-rated forest company differ in value processing from the cooperative ones, or does it? The comparison aspect makes the interpretation of the empirical data extremely interesting.

4.1 Purpose of the Study

In this chapter I will present more information about the purpose of this study, eventhough these issues were already handled in the beginning of the study. It is important to recapitulate the main things before entering to the empirical part. The purpose of this study is to contribute to the substantive field of organizational value processes by examining individuals' perceptions of them. The aim is to study value processes through the organizational members' perceptions at different hierarchical levels. Over the past decades, personnel well-being has become one of the most important factors in companies' activities. Through the years, the phrase "employees are our most important resource" has become the leading idea in many companies – at least at the rhetorical level. This words vs. deeds comparison makes this research highly interesting. Is it a rhetorical utterance or are employees really considered as the most important resource, who are offered possibilities to develop themselves, challenging tasks and a functioning working environment? (Tuomi, 2001) The value process itself and its realization are extremely interesting, especially when the personnel's perspective is emphasized.

I study how the organizational members perceive the value process and value dissemination in their organizations: the targets, affecting factors, problems etc. Values are considered as a part of

organizational culture, which is represented through the members' perceptions; "how things are done here". The official values are compared to the organizational culture and reality, which are discussed by the organizational members in the interviews.

In this research, the aim is to "dive" deeper into organizations: to ascertain e.g. how value processes in the case companies have been implemented, how the members of the organizations have perceived them and what the effects have been. Through this research, I hope to find out how values are introduced in practice, where they come from and how and why they are implemented. Corporate values are "in fashion" at the moment, but their background and details have not been exhaustively researched. Many jump on the bandwagon without looking beyond the surface. The objective of this research is to dig deep into the phenomenon. How do people in organizations perceive values in their own organizations, and how do the opinions differ (or do they?) at different hierarchical organizational levels?

The issue of absolutism vs. relativism concerning values is one aspect of the objectivity vs. subjectivity controversy. There is no way to avoid human subjectivity. The complete denial of a subjective component of values awareness entails two things: we would have to assume that values reside in nature and are reflected in our consciousness in an unbiased form that is God-given through detailed and literal revelation, and we should assume that the human capacity for receiving information about these values is flawless. According to Ollila (1993), we are, firstly, creators of the values related to human affairs, we human beings render value qualities to the matters we face in our reality, and secondly, we cannot escape subjectivity. Because we have a limited epistemic capacity, we have no access to a "view from nowhere". There is no clear-cut line between facts and values; our subjectivity is always present. Objectivism concerning values would exemplify returning to the pre-Kantian era. However, values have to have a supervenient relation to the reality we inhabit; otherwise our values do not enhance our orientation in the world we share. (Ollila 1993, 41)

According to Marshall and Roschman (1989, 22), research moves on two levels: tacit theory and formal theory. They state that by combining the two, new and interesting phenomena may be studied. As a researcher I agree with Heidi Keso (1999, 17): "On one hand, I carry out research

based on my own experiences and try to respond to questions I face when my own learning and changes in knowledge do not correspond to theories. On the other hand, I explore how the theories and concepts I have learnt could help me understand organizational definitions of expertise, learning and knowledge and thus alter conceptions of theories."

Personnel as a research topic is very popular and widely investigated. Still, the value processes from the organizational member's perspective are an area that has not been studied extensively. Management's role in value processing has been much studied and proved to be essential (e.g. Aaltonen & Junkkari 1999, Kunda 1992, Martin 1992), but at the same time the other organizational members have been left without closer attention. In this study, the aim is to raise the voice of the individual in organizations; both at the manager and the employee level.

Organizational values have been "in fashion" in Finland for over 15 years, yet value processing in organizations itself has not been investigated much. Especially this study can bring new ideas and results to the investigation of personnel well-being through analyzing value processing (and its implementation) from an individual's perspective. Quite often values are studied only as management tools, and their (real) implementation in organizations has failed. For example, in companies' annual reports may mention both organizational values and business profit important strategic goals that they want to achieve. However, if you look at the next (annual, quarterly etc.) report, the attained business goals are undoubtedly mentioned, but is there any reference to the values? If values are really strategic goals, as companies say, why are the implementation and its results so rarely mentioned? What are the factors affecting this, according to the organizational members at different hierarchical levels?

4.2 Research Questions and Sub-questions

In this study, the aim is to research companies' value processes from the organizational members' ("insiders'") perspective. The focus is on the individual; all the research questions are studied from the organizational members' (at different hierarchical levels) perspective.

The main research question is:

How are organizational values and value processes perceived by the organizational members?

The sub-questions are:

Why are values promoted and how is the value process described in organizations?

What factors affect value processing, what kinds of problems occur?

The main themes of this research are value processing, value management, personnel well-being and organizational culture. In this research, the aim is to study the meaning of companies' values; what kinds of processes lie in the background and how and why values are implemented in companies. Special focus is on the individuals and their descriptions and perceptions: employees from top management to the "worker" level. The perspective is on the individual, the organizational member. The subcultures in companies are studied through the individuals at different hierarchical levels. The organizational culture is analyzed through the individuals' perceptions; values are an important part of organizational culture and vice versa.

The research approach is qualitative; content analysis is used in analyzing the empirical data (interviews). The empirical studies concern three case companies, which have published their official values several years ago. In this study, the research method chosen was a multiple-case study. The case companies are from different sectors: in that way the comparison basis will be wider and more varied. The forest company is an exchange-rated, international corporation; the bank and the market are both cooperative companies. This comparison brings new interesting aspects to the study.

The case companies were selected due to their similar phases of value processing: the official values have been published several years ago, so it could be presumed that values are a part of the companies' everyday practices, as well. Since the gap between the official and the "real" values in organizations seems to be distinctive, I wanted to study it further from the individual's perspective. Even though people in organizations seem to be aware of the official values, they are also seen as a useless fad, which has no real (at least no positive) influence. This could be said of the general opinion in society, and also many other studies have encountered the same contradictions (see e.g. Martinsuo 1999, Martin 1992, Simon 1997, Parker 2000).

4.3 Methodological Aspects in this Study

The primary objectives in this study are to increase the understanding of organizational value processing as seen by the individuals, and to discovery essential factors concerning the value process. The focus is on organizational culture: I see values as a phenomenon which can help to create a common basis for the organizational culture. The key method in this study is individual interviewing.

The research is completed qualitatively with content analysis, analyzing written interviews at different levels of hierarchy. The different hierarchical levels among the interviewees strongly incorporate the individual aspect. Values are subjective – they mean different things to individuals. There are many different subcultures in organizations, and values are studied from this point of view, the individual view. When value processing is described within the companies, respondent groups discussed top management first, middle management second and the "employee" level third. They are the representatives of organizational subcultures in this study. The forth group consists of "in the process" individuals, who have been carrying out the value processes in their organizations. The reason for this grouping was not to strictly separate the management from the employees, but to clarify the interpretation of the empirical data. After all, it is often claimed that the "organization's voice" means the voice of management, and the employees have often the opposite opinions. When analyzing the interviews, I wanted to separate comments from different hierarchical levels, to clarify this "management vs. employees" discourse.

"As individuals come into contact with organizations, they come into contact with dress norms, stories people tell about what goes on, the organization's formal rules and procedures, its informal codes of behaviour, rituals, tasks, pay systems, jargon, and jokes only understood by insiders, and so on. These elements are some of the manifestations of organizational culture. When cultural members interpret the meanings of these manifestations, their perceptions, memories, beliefs, experiences, and values will vary, so interpretations will differ – even of the same phenomenon. The patterns of configurations of these interpretations, and the ways they are enacted, constitute culture." (Martin 1992, 3)

Different cultural members have different opinions. "Organizational researchers have developed radically different approaches to studying culture. Some define culture in different ways and study quite different phenomena, other researchers define culture in nearly identical ways (usually as consensus about shared values or assumptions), but from the evidence they present, it is clear that they do not have the same understanding of the meaning of the term." (Martin 1992, 7). Values as a phenomenon mean different things to different people. The greatest challenge seems to be adopting "shared" values to support the organizational culture: values that are approved by different individuals even though the opinions about details may be different. According to Martin (1992), some researchers are generalists, writing as if any aspect of the organizational life were part of culture, while others attempt to define culture from a more narrow perspective, in order to distinguish it from related concepts, such as norms, climate or values. In this research, I study values as a phenomenon that is interpreted by individuals and which for its own part affects the culture of the organization (Schein et al. 1985). Values, organizational culture and individual aspects are interconnected through the study.

4.3.1 Qualitative Research

The aim in this study is to enter the fields of spoken and written language in different companies, especially between the different hierarchical levels of employees. The research questions are approached using qualitative methods. The first and the most important condition for differentiating between various research strategies is to identify the type of research questions being asked. The second aspect to be considered is the extent of control over behavioral events and the degree of focus on contemporary as opposed to historical events. (Yin 2003) The socially situated researcher creates through interaction the realities that constitute the places where empirical material is collected and analyzed. In such sites the interpretative practices of qualitative research are implemented. These methodological practices represent different ways of generating empirical material grounded in the everyday world. (Denzin and Lincoln 2003)

Using the qualitative case study approach in this thesis was the result of several factors. Firstly, the choice was to study organizational culture from the symbolic-interpretive perspective and through individuals' perceptions. Secondly, the research purpose focused on increasing

understanding about the phenomenon in question, as is typical to qualitative research. (Stake 1995, Denzin and Lincoln 2003) Also my own experiences and preferences are currently in favor of the qualitative, interpretive approach. For studying values and organizational culture, I considered the qualitative approach to be more suitable than the quantitative one; a deeper analysis of value processing could be reached.

Qualitative research does not search for simple and unambiguous answers as does quantitative research. Instead, it tries to find new ways of thinking and to problematize self-evident truths. (Alasuutari 1993, 193) The word qualitative implies an emphasis on the qualities of entities and on processes and meanings that are not experimentally examined or measured in terms of quantity, amount, intensity or frequency (Denzin and Lincoln 2003, 13). Scientific information is prepositional, in other words it consists of declarative sentences (Kotkavirta et al. 2002, 94). In qualitative research, the aim is to find new ways of explaining different phenomena. The most important point in researching is to explain one's theory. The interpretation has to be well-grounded but not necessarily final; there will always be someone who finds weaknesses from the study. Research and science are like games, which include uncertainty and skepticism. (Ehrnrooth 1990, 33)

Alasuutari (2001, 79) maintains that in scientific research empirical observations are never "results"; they are like clues that are interpreted in order to get "behind" the observations through a theoretical framework. The researcher's point of view is markedly present in the qualitative approach. I include elements and phrases from the empirical material in my research, to which someone else might not pay as much attention. Nevertheless, as a researcher, I believe that they are important and clearly justified. As Eskola and Suoranta (1998, 20-21) have stated, the starting point for qualitative research is that the researcher is openly and admittedly subjective; that the researcher is a key research tool in his or her study.

One interesting aspect is Parker's (2001) suggestion to start with ethics: if discourses are all that can be compared, all discourses must be equally justifiable. Parker suggests that it might be rather productive to start with ethics rather than attempting to prove either the validity of empirical observations or the epistemological coherence of one's arguments. This does not mean

that they are unimportant in matters of debate, but according to Parker, we cannot seek to make them into some kind of bedrock upon which our debates could take place. Instead, we explain what we believe "should" be the case. Of course we will be using "evidence" in order to argue our case – but the point of debate is to clarify questions on the value, not the validity of the evidence. (Parker 2001, 41) The qualitative approach has its origins in hermeneutics and phenomenology. Their primary goal is to understand the phenomenon, not to predict or explain it. (Cassell and Symon 1998). The understanding process begins with a certain preunderstanding about the project. Hermeneurics has been defined as the science of correct understanding or interpretation with specific reference to the understanding of the meaning of texts (Polkinghorne 1983). Content analysis is used for thematizing the research subject.

4.3.2 The Case Study as a Research Strategy

The use of case studies for research purposes is becoming increasingly widespread in management. In many universities, doctoral theses dealing with strategy, organization and so forth are often based on case studies. (Gummesson 2000, 83) Reliance on theoretical concepts to guide the design and data collection remains one of the most important strategies for completing successful case studies. The goal is to develop preliminary concepts at the outset of a case study. One purpose served by such concepts, as in any other empirical study, is to connect the case study to the appropriate research literature, so that lessons from the case study will be likely to advance knowledge and understanding of the research topic (Yin 2003, 3), which in this particular research is the organizational value process, studied through individuals. Case studies of organizations frequently appear in the literature. (Ibid., 31)

The case study is a way of investigating an empirical topic by following a set of prespecified procedures. Case studies are the preferred strategy when questions such as "how" or "why" are being posed, when the investigator has little control over events and when the focus is on a contemporary phenomenon within some real-life context. The case study allows an investigation to retain the holistic and meaningful characteristics of real-life events, such as individual life cycles, organizational and managerial processes etc. A basic categorization scheme for the types

of questions used in the study is the familiar series: "who", "what", "how", "where" and "why". (Yin 2003, 1-5, 15)

According to Yin (2003), the case study uniquely contributes to the knowledge of individual, organizational, social and political phenomena, and it allows the investigation to retain the holistic and meaningful characteristics of real-life events. A case study can be useful when the boundaries between a phenomenon and its context are not evident. Organizational values as a phenomenon are very varying and unique There is no one clear definition for it.

Because a research design is supposed to represent a logical set of statements, the quality of any given design can be judged according to certain logical tests. Concepts that have been presented in these tests include trustworthiness, credibility, confirmability and data dependability. Because the four tests are common to all social science methods, the tests have been summarized in numerous textbooks (e.g. Kidder & Judd 1986, 26-29): *construct validity* (establishing correct operational measures for the concepts being studied), *internal validity* (for explanatory or causal studies only, not for descriptive or exploratory studies: establishing a causal relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships), *external validity* (establishing the domain to which a study's findings can be genaralized) and *reliability* (demonstrating that the phases of study – such as the data collection procedures can be repeated with the same results).

The practical activities of organizations have been monitored to discover the processes where explicit and implicit (tacit) knowledge meet (see e.g. Nonaka & Takeuchi 1995). The study of values in this work focuses on the interaction of interviews and so-called written information (official values): how values are perceived and how they actually (according to the interviewees) influence organizations and individuals.

4.3.4 Interview as the Method of Obtaining Information

Interviews play a key role in determining the value processes of the case companies. They also provide an inside look into the organizations and new and multidimensional information on

values, which mean many different things to organizations and individuals. Interviews with individual people at different organizational levels will help to understand the value processes of organizations.

Our society is an interview society, a society whose members seem to believe that interviews generate useful information about personal experience and its meanings. The interview has become a taken-for-granted feature of our mediated mass culture. But the interview is a negotiated text, where several factors (e.g. power, ethnicity etc.) intersect. An individual interview is probably the most widely used method for gathering information in qualitative research. It is conversation, the art of asking questions and listening (Denzin and Lincoln 2003, 48). The key feature of an interview is the ability to provide an undiluted focus on the individual. Interviewing provides an opportunity for a detailed investigation of people's personal perspectives, for in-depth understanding of the personal context within which the research phenomena are located, and for a very detailed subject of coverage. Interviews also provide a tool for clarification and understanding. (Ritchie & Lewis 2003, 36) The idea in qualitative research is to purposefully select units and informants that will best answer the research questions (Yin 2003).

Asking questions and getting answers is actually more difficult than it may seem at first. The spoken and written word always have a residue of ambiguity, no matter how carefully we articulate the question or how carefully we report the answers. Yet interviewing is one of the most common and powerful ways in which we try to understand our fellow human beings. The most common form of interviewing involves individual, face-to-face verbal interchange, but interviewing can also take the form of face-to-face group interchange, mailed or self-administered questionnaires, and telephone surveys. It can be structured, semistructured or unstructured. (Fontana and Fey 2003) In this study, the interview method used was an individual face-to-face interview, which was carried out by using a semistructured interview form.

From the factual perspective, the qualitative interview and other methods of data collection are regarded as ways of generating information about the object of study. The interview situation is normally considered in terms of the reliability of the information it yields. What we will usually see is some sort of evaluation as to how the situation and the interviewer have influenced the

interviewee and by the same token the nature and reliability of the data. From the factual perspective, the interaction situation is defined as a potential source of error. One of the ways researchers have tried to overcome this problem have been the efforts to gain the confidence of the interviewee. (Alasuutari 1995, 85) When approaching the interviewees, I first sent them an e-mail where I explained my research subject and strongly emphasized the reliability and anonymity aspects. Due to the sensitivity of the research subject, the anonymity factor was seen as extremely important. In my opinion, I attained the interviewees' trust well, and the atmosphere during the interviews was open: people were willing to answer the questions frankly and extensively.

The interviewees were chosen in two ways: First, the top management was contacted for interviewing, and they were asked to name people in their organization who had been part of the value processing (besides themselves). Second, the employees were contacted and asked to be interviewed. I wanted to interview people from multiple hierarchical levels with different tasks, and I succeeded well. After interviewing top management, it was easy to contact the other employees even though the "value process" as a theme for interviewing was not always very familiar to the employees.

In this study, the organizational members' perceptions of values in their organization play the main role. The interviews focus on what the individuals have to say: how they perceive values and how they talk about them. In language, meanings are formed in relation to and as a distinction from each other. Individuals give meanings to the issues they talk about. (Jokinen et al. 1993, 19). According to Keso (1999), an individual's system of meanings refers to itself when the individual observes his or her environment. An individual is in constant interaction with his or her environment and modifies his or her system of meanings. When individuals give meanings to concepts, they interpret the endless flow of reality into phenomena understandable to them, and they produce different versions of reality.

In this study, personnel from different organizational hierarchy levels is interviewed; from upper management to the opposite end of the ladder. This is done to achieve as extensive a solution to the research problems as possible. We must remember that each individual has his/her own

social history and an individual perspective on the world. This is what makes interviewing more challenging, but also more intriguing. Oakley (1981, 41) has said that interviewing is like a marriage: everybody knows what it is, an awful lot of people do it, and yet behind each closed front door there is a world of secrets. We all think we know how to ask questions and talk to people, yet to learn about people we must treat them as people, and they will work with us to help us to create accounts of their lives (Fontana and Fey 2003, 99). In my study, I tried my very best to treat my interviewees as valuable individuals, whose opinions I was truly interested in. In my opinion, the atmosphere in all interviews was warm and confidential, so my aim was well attained. I think one reason for this was the feeling that interviewees' opinions do matter. I really wanted to hear what they had to say, and I promised, naturally, total confidentiality.

4.3.5 Data Collection and Data Analysis

In a qualitative study, questions concerning what constitutes a theoretical or appropriate sampling or a sample will always exist. A sample is a small-scale representation of the population from which it has been selected. It includes a part, and not all, of the parent population, so it can never be an exact replica of that population. (Cooper & Hedges 1994)

Qualitative samples are usually small in size, but in this study there were as many as 75 interviews. Samples in this study are based on my consideration and my own interest, which continually grew during the data collection process. Every individual gave his/her own, intriguing perspective to the value process. I have to admit that such a large number of interviewees presented difficulties in some aspects during analysis. Nevertheless, this was a better approach for me, as a researcher. Now I have more insight and depth in my research subject than would have been possible with e.g. 30 interviews. I believe my analysis gives a deeper perspective on people's perceptions about value processing. I can also justifiably say that the abundance of information provided in this study ensures a somewhat strong basis: the chosen individuals' quotations are not occasional but repetitive findings. Behind the presented quotations are several similar findings, and therefore the reliability aspect is evoked.

In the beginning of the data gathering process, access to the companies was negotiated with persons in high organizational positions at the local level (e.g. General Manager, Unit Manager, HR Manager). After that the people in the head offices were contacted. The interviewees were chosen mostly in discussions with the local managers. Also the interviewees were asked to name people who would (in their opinion) be suitable for interviewing, in relation to values as the research topic. This way it was possible to get in touch with the persons who have officially been processing the values in the companies. This means the group of interviewees is very heterogeneous, consisting of people at many different organizational levels and in different professional tasks. The interviews lasted from 20 to 83 minutes and the semistructured interview forms were sent in advance to all interviewees. The age distribution among the interviewees was from 24 to 56, so both newcomers (with less than two years experience in the case organization) and employees soon retiring (with 30 years experience in the organization) were interviewed. Thus the experiences diverge in an interesting way.

In this research, the data was gathered by interviewing personnel in the head office and at the local level in companies with multiple managerial hierarchical levels. As it so happened, in all three 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. I studied what kind of individual perceptions emerge while disseminating values from the head offices to the local levels. The special focus is on the local level: how value dissemination occurs at the local level. It is also important to remember that any narrative depends upon the perspective and location of its author (Hatch 1997). My perspective concentrates on values as a phenomenon and individuals' perceptions on the value processes in the three case companies. The interviewees have been divided into "top management", "management", "employees" and "in the process interviewees", which means these people have been part of the value process in the planning and implementing stages.

Yin (2003) has presented two alternative analysis strategies for qualitative data: relying on theoretical propositions to drive the strategy, or developing a case description. The general propositions from the theories and my research questions have shaped the data collection plan and prioritized the analysis. All data from the interviews was typed and entered into computer

based text files. I approached the data from my research questions' perspective. During typing and data arrangement, I read the data through and was often able to attach the comments and statements to the context in which they were presented. To examine the data further at an organizational level, I added notes and comments to the empirical data. For example the factors affecting value processing were first marked simply with different colors in the text: each factor had its own color. Also the other research questions were approached in this way. The individuals' comments on the targets of value processing, factors affecting the process, managerial and cultural aspects and problems occurring were marked with different color codes. Due to the large number of interviews, this stage of the analysis was demanding and time-consuming, but afterwards I was able to collect the different factors (colored in the data) in their own text files for further analysis. I developed document families for the answers to the research questions and different interviewee levels (top management, management, employee, "in the process" individuals). Since the conceptualization with colors was the initial method of arranging the data, I used it along with other emphasizing methods (e.g. bolding and underlining) through the whole study. By doing this, I was able to rapidly find the needed themes and comments when arranging and analyzing data in their own subject files.

The examination stage confirmed several things. First, the data seemed suitable for analyzing the research subject in all three companies. Another finding was that the interviews differed at different hierarchical levels in focus and length, but all interview topics were discussed in almost all interviews as planned: probably since the interview forms were sent in advance to the interviewees. One finding was that the different groups (levels of hierarchy) varied in their responses during the interviews. Nevertheless, due to the large number of interviews, the data saturation was reached in the sense that certain topics came up repeatedly across the interviews. The results of this study will be presented thematically from the perspective of the research questions.

4.4 Theoretical Paradigms in this Study; Values and Organizational Culture

Values and culture are strongly interconnected (e.g. Crane & Matten 2004, Parker 2000, Schein 1985), therefore the cultural aspect is emphasized throughout this study. Theoretically, this study

is based on the field of (symbolic)-interpretative theories, and Martin's three perspective model (especially the Differentiation view).

According to Hatch (1997, 200), the most immediate source of outside influence on the organizational culture is found within the organization – its employees. This study is located in the field of symbolic-interpretative organizational culture theory. According to Hatch (1997, 218), the symbolic-interpretative approach starts from the assumption that cultures are socially constructed realities. The symbolic-interpretative approach in organizational culture studies concerns describing how organizational realities are socially constructed. It can be seen that this study has a connection to social construction theory; in a way the individuals interpret and "construct their reality" through the value perceptions. "Shared values, shared beliefs, shared meaning, shared understanding and shared sensemaking are all different ways of describing culture. In talking about culture we are really talking about a process of reality construction that allows people to see and understand particular events, actions, objects, utterances, or situations in distinctive ways." (Morgan 1997, 138) According to Morgan (1997), in recognizing that we accomplish the reality of our everyday world, we have a powerful way of thinking of culture as an ongoing, proactive process of reality construction, which brings the whole phenomenon of culture alive. When understood this way, culture cannot be viewed as a simple variable that societies or organizations possess or something that a leader brings to his organization. Rather, it must be understood as an active, living phenomenon through which people jointly create and recreate the worlds in which they live (Ibid., 141): in this study the aim is not to study purely the social construction of reality in the case companies, but to interpret value processes and organizational culture through the organizational members, through their individual perceptions.

Cultural studies are difficult to determine using simple definitions. According to Alasuutari (1995), present-day cultural studies are an international intellectual movement in many ways. Even the very concept of culture is understood in many different ways within the field. Perhaps at the end of the day the only feature that cultural studies really share is the position that reality and social life are always and essentially mediated through meanings. In this research, the aspect is phenomenological: the chief concern in phenomenology is to look at how the individual tries to interpret the world and make sense of it. (Alasuutari 1995)

4.4.1. Organizational Culture and Martin's Three Perspective View

The recent profiling of organizational culture has produced substantial controversy. Many have hailed it as a long-overdue source of innovative thinking about organizations. Others criticize it as "old wine in new skins", an intellectual ghetto unrelated to mainstream organizational research, a metaphor without a theory, a "dead end" dominated by managerial concerns or a fad that (at great expense to organizations) has failed to keep its seductive promises of improved morale, loyalty, harmony, productivity and, ultimately, profitability. (Martin 1992) I have encountered similar comments during my research. Values and organizational cultures are in theoretical circles sometimes seen as an old-fashioned fad. In my opinion, it is not pointless to study the subject matter since all the organizations DO speak about values and they DO speak about organizational cultures. Since organizations themselves talk about these matters, I believe that they are worth exploring as "organizational culture" and "values". Organizational culture consists of values and can be interpreted through the individuals involved.

In this research, I study organizational culture through organizational values, which are interpreted through individuals. By this I mean the organizational members' perceptions about the official values. These values can be treated as representations of the organizational culture. I asked the organizations' employees to speak about values and value processing. This gave me the tools to analyze the organizational culture: values and culture are interconnected in organizations. During the interviews the people described their opinions about the values and organizational cultures; they described the value process, "words vs. deeds" through their own perceptions, which in part reflect the culture in the organizations. "The values, rules and norms that define an organization's ethical position are part of the organization's culture" (Jones 2001, 157). The implementation of values offers much insight into the organizational culture: this is the main reason as to why I emphasize aspects of organizational culture in this study.

In her book, Martin (1992) examines the commonalities and fundamental conflicts in culture research by distinguishing and then analyzing three social scientific perspectives: the Integration, Differentiation and Fragmentation views. The three-perspective framework was first outlined by Meyerson & Martin (1987) and Martin & Meyerson (1988).

Studies conducted from an *Integration* perspective have three defining characteristics: all cultural manifestations mentioned are interpreted as consistently reinforcing the same themes, all members of the organization are said to share in an organization-wide consensus, and the culture is described as a realm where all is clear. Ambiguity is excluded. (Martin 1992, 12)

In contrast to the previous, research conducted from a *Differentiation* perspective describes cultural manifestations as sometimes inconsistent (e.g. when managers say one thing and do another). Consensus occurs only within the boundaries of subcultures, which often conflict with each other. Ambiguity is channelled so that it does not intrude on the clarity which exists within these subcultural boundaries. (Martin 1992, 12)

Studies conducted from the *Fragmentation* perspective focus on ambiguity as the essence of organizational culture. Consensus and dissensus are issue-specific and constantly fluctuating. There is no stable organization-wide or subcultural consensus. Clear consistencies and clear inconsistencies are rare. (Martin 1992, 12) These three social scientific perspectives are summarized in Table 2.

Table 2: Defining Characteristics of the three perspectives

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	INTEGRATION	DIFFERENTATION	FRAGMENTATION
Orientation to consensus	Organization-wide consensus	Subcultural consensus	Multiplicity of views (no consensus)
Relation among manifestations	Consistency	Inconsistency	Complexity (not clearly consistent or inconsistent
Orientation to ambiguity	Exclude it	Channel it outside subcultures	Focus on it
Metaphors	Clearing in jungle, monolith, hologram	Islands of clarity in sea of ambiguity	Web, jungle

_____

Martin 1992, 13 (adapted from Martin & Meyerson 1988)

In this study, the main perspective is the Differentiation view; this is a natural choice since I study organizational values at different hierarchical levels. Furthermore, it is evident that there are subcultures inside all case companies. I interpret the data from the Differentiation perspective. The Integration or Fragmentation views have their benefits and I could use the perspectives in this study. I will discuss all three perspectives and their interpretations of the empirical findings later in this study, but the emphasis throughout this research is on the Differentiation view.

4.4.2 The Interpretative Paradigm in Understanding Value Processes

In a well-known approach by Burrell and Morgan (1998), there are four paradigms in social theory and organizations: the radical humanist, radical structuralist, interpretive and functionalist paradigms. They define fundamentally different perspectives for the analysis of social

phenomena, approach them 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. (Mattila & Aaltio 2006)

SOCIOLOGY OF RADICAL CHANGE

Subjective	**Radical humanist**	**Radical structuralist**	**Objective**
	Interpretive	**Functionalist**	

SOCIOLOGY OF REGULATION

Figure 7. Four Paradigms for the Analysis of Social Theory (Burrell & Morgan 1998)

In the classic approach by Burrell & Morgan (1998) my study is based mostly on the interpretive view. The interpretive approach is adopted mostly in the case of individual perceptions about the value process. According to Burrell and Morgan (1998), the interpretative paradigm emphasizes that the social world is no more than the subjective construction of individual human beings who, through the development and use of a common language and the interactions of everyday life, create and sustain a social world of intersubjectively shared meaning. The social world is thus of an essentially intangible nature and is in a continous 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. In this study, value dissemination is seen as a process where

organizational members' perceptions and comprehensions are important as such. Therefore, the paradigm in this particular study is the interpretive one.

Thus, according to Parker (2000, 70), the interpretive paradigm stresses the local nature of cultural processes and, in reducing the object of enquiry to actor level phenomena, 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). Burrell and Morgan (1998) suggest that the interpretive paradigm is orientated towards 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 (organizational members) concerned.

4.4.3 The Interpretive View in Organizational Culture Theory

The theoretical view in this study is interpretive: values are interpreted in the context of organizational culture, seen by the eyes of individuals. The organization is seen through "subjective" perceptions (Hatch 1997, 49). The symbolic-interpretative perspective defined culture as a pattern of meanings created and maintained by human association through shared values, traditions and customs. In the Integration perspective, the manager is seen as an artifact, who would like to be a symbol of the organization. (Ibid., 52) The management's role and example are further studied in the empirical findings**.** The interpretative perspective involves trying to understand lived experience and how participants themselves make sense of their experiences: in this study the perceptions of organizational value processing. Therefore, it concerns the meanings which those experiences hold for the participants. It is phenomenological in that it wishes to explore an individual's personal perception or account of an event or state as opposed to attempting to produce an objective record of the event or state itself. At the same time, while trying to get close to the participant's personal world, it considers that one cannot do this directly or completely. Access is dependant on the researcher's own conceptions which are required to make sense of that other personal world through a process of interpretive activity. (Smith & Osborn 2004)

One assumption in the symbolic- interpretative perspective is that cultures are socially constructed realities. Individuals can engage in the socially constructed aspects of organizational life because they make, use and interpret symbols and because they are sensitive to the interpretations made by others. (Hatch 1997) In this study, values are interpreted through individual perceptions. Although the symbolic-interpretative culture researchers steep themselves in the experiences and meanings of specific members of a culture, the objective of their search is a larger perspective than that of any individual member. The perspective sought is, ideally, that of the entire system of experiences and interpretations distributed across all the culture`s members. The individual view is not one individual's view, but a delicate amalgamation that represents the whole culture in its whole complexity. (Hatch 1997, 218).

"The interpretive perspective examines how people make sense of their lives, how they define their situation, and how their sense of self develops in interaction with others. The interpretive perspective relies mainly on field studies and emphasizes using participant observation and in-depth interviewing techniques. The interpretative perspective emphasizes rich textual description rather than numerical analysis. The interpretive perspective represents a major alternative system for conducting disciplined inquiry." (http://www.findarticles.com/) Since values and organizational culture are interpreted through individuals' perceptions in this study, the interpretive perspective is needed. Van Maanen (1998, 3) states: "Culture refers to the knowledge members of a given group are thought to more or less share; knowledge of the sort that is said to inform, embed, shape, and account for the routine and not-so-routine activities of the members of the culture… A culture is expressed (or constituted) only through the actions and words of its members and must be interpreted by, not given to, a fieldworker… Culture is not itself visible, but is made visible only through its representation." The individuals`s descriptions of values represent the outlines of the organizational culture in this study.

Martin (1992, 13) argues that a social scientific perspective is an interpretive framework that is subjectively imposed on the process of collecting and analyzing cultural data. A social scientific perspective is not considered to be an objective description of empirical facts. "This is not because researchers are careless, dishonest, or otherwise inadequate social scientists. It is because different researchers, studying the same cultural members and the same organizational

events with equal care, skill and honesty may evaluate, recall, and interpret what happens differently." (Ibid.) It is essential to realize that when this study is concluded, it is based on my own, subjective judgement of the data.

I do realize that as a researcher my own background also has an effect; the researcher's choice of what to attend to, what is remembered, or what interpretations are plausible. As a result, different researchers studying the same context might carefully and honestly report what they see, yet come to quite different, empirically based conclusions. (Martin 1992) According to Alasuutari (1995), cultural studies have explored the concept of meaning from various angles and studied the mediation of social reality through meanings in different ways. The ethno-methodological emphasis on cultural studies stresses that that the researcher should not try to suggest interpretations of people's world of meanings, to try to read their minds. The interpretation of meaning is regarded as an activity that is characteristic of everyday situations of interaction: we are looking at what other people do and infer on the basis what they "mean" or "think", and then respond to the interpretation we have made ourselves. Ethno-methodology`s object of study consists of observable, concrete, incarnated social activities through which actors produce everyday situations and practices and are capable of acting in those situations (Garfinkel 1984). In this study, the focus is on the individuals' perceptions; how they describe value processes in their own organizations.

4.5 Martin's Three Perspectives to Organizational Culture Research

In this section, I will describe more precisely the three social perspectives to organizational culture research mentioned above. All three perspectives were first outlined by Meyerson & Martin (1987) and Martin & Meyerson (1988). These perspectives are subjective. Many cultural researchers assume or assert that a particular perspective represents an accurate reflection of an objectively observed reality, rather than subjectively construed conceptual judgements. Some companies are said to have more consistency, organization wide consensus and clarity than others. Sometimes a company is seen as passing, in stages, from an Intergrated culture to a Differentiation or Fragmented culture. (Martin 1992, 12) This argument could also be made for the case companies in this study. After the empirical part, I will discuss the different

interpretations of the organizational cultures. Although the Differentiation view is chosen to be the main perspective of the three in interpreting the data in this study, it does not mean that I would definitely argue that it is the "best" way. I could have chosen the Integration or the Fragmentation views, or all three, if I would have deemed it necessary. Because of the large amount of my empirical data (interviews), I do not see it possible to incorporate all three perspectives equally into this study. In this study I considered the Differentiation view suitable because it seemed to be the best way to interpret my research interests in addition to the earlier mentioned perspectives. Next, I will introduce all three perspectives as presented by Martin (1992).

4.5.1. The Integration Perspective

Studies congruent with the Integration Perspective have three characteristics. First, a set of content themes (usually values or basic assumptions) are described as being shared by all members of a culture, in an organization-wide consensus. Second, these content themes are said to be consistently enacted in a wide variety of cultural manifestations. Third, cultural members are described as knowing what they are to do and why it is worthwhile to do it. In this realm of clarity there is no place for ambiguity. (Martin 1992, 45) This view could have been my "main" perspective in this study if my emphasis had been on management. After all, it is common rhetoric that the managers see (or want to see) much consensus in their organizations. As will be introduced later in the empirical part, this is true in the case companies, as well. Values are (in the eyes of the management) very often described as "our common way to behave", and claimed to be understood organization-wide among the employees. "Integration studies often describe organization-wide consensus in (harmonious) familial terms, which merge the (supposedly separate) public and private domains, so that organizations are seen as families and families of employees are described as part of the organization." The Integration perspective's emphasis is on interpersonal, sometimes even familiar closeness. (Martin 1992, 46) The strain on communication and coordination produces pressure for integration. One common way to deal with integration pressures is to create a management group. (Hatch 1997, 163)

Integration studies tend to define culture as that which is shared and, usually, that which is unique to particular contexts. Definitions vary to the extent to which they are specialized and to which they value depth. Some of these Integration definitions focus on deeper content themes, such as basic assumptions, while others have a more superficial focus. One of the reasons these definitions are important is that they can be misleading: there is often a discrepancy between how an Integration study defines culture and what it actually studies. Unity is the focus of an Integration view of culture. Some but not all Integration studies claim that cultures characterized by consistency, organization-wide consensus and clarity will lead to greater organizational effectiveness, as indicated by greater cognitive clarity, commitment, control, productivity and profitability. The studies appear objective and politically unbiased from the perspective of those who accept and benefit from the authority of established relations. (Martin 1992)

4.5.2. The Differentiation Perspective

According to the Differentiation view, the apparently seamless unities of the Integration view mask a series of overlapping, nested organizational subcultures. These subcultures co-exist, sometimes in harmony, sometimes in conflict, and sometimes in indifference to each other. The Differentiation perspective unveils the workings of power in organizations, acknowledges conflicts of interest between groups, and attends to differences of opinion. (Martin 1992, 83) The aim of this study is similar to the perspective: values and value processes are studied by interviewing employees at different hierarchical levels: from top management to the grass-root level. Perceptions and interpretations at these different levels reveal (as will be discussed in the empirical part) different subcultures and conflicts between organizational groups.

Differentiation views of organizational culture have three defining characteristics. First, interpretations of content themes, practises and forms are often inconsistent. Second, the Differentiation perspective questions claims of organization-wide consensus. To the extent that, assuming consensus does exist, it is seen as located primarily within subcultural boundaries. Third, within subcultural boundaries, clarity reigns, while ambiguity is relegated to the periphery. In short, the three defining elements of the Differentiation perspective are

inconsistency, subcultural consensus and relegation of ambiguity to the periphery of subcultures. (Martin 1992, 83)

Differentiation studies do not usually deny the existence of the similarities, consistencies and unities that are the focus of Integration studies. Differentiation research goes one step further, exploring the viewpoints of subcultures that see things (e.g. values in this study) differently. This is crucially important because similarity and dissimilarity are asymmetrical, in that there are far more ways to be dissimilar than similar. Some Differentiation studies stop at this point, simply describing a subculture. Other Differentiation studies stress opposition to management, placing power and the potential for conflict at the center of attention. Every person is seen as having complicity in relations of dominance. Everyone is always either in power-enabling, prohibiting, or subordinated. Subcultural relations are seen as inevitably hierarchical; no place is neutral. (Martin 1992) In this study, values are seen in this light, as well. Analysis of inconsistencies in the interpretation of cultural forms, such as stories, rituals and jargon, often reveals the "underbelly" of conflict that is not acknowledged in managerial rhetoric that stresses teamwork, harmony, egalitarianism or cooperation. Differentiation studies focus on the inconsistencies that Integration research tends to ignore. Because the Differentiation view is particularly sensitive to differences in power and conflicts of interest between groups, few Differentiation studies contain subcultures that are purely orthogonal (neither positive nor negative in orientation toward management or each other). (Martin 1992, 87-92)

Differentiation research describes each subculture as an island of localized lucidity. Attention is restricted to cultural manifestations that either are or are not inconsistent with each other. (Martin 1992) In this study, the "subcultures" are divided into "top management", "management" and "employees". The cultural manifestations are the values and value process: how words and deeds meet in case companies, according to the personnel. "The potential complexities of the cultural domain are thereby reduced to dichotomies. Even when conflicts are present, things are clear enough so that cultural members know they disagree on particular issues or interpretations." (Martin 1992, 93) According to the empirical findings, values are a very complicated issue in all three case companies. "In this way, subcultural differentiation 'fences

in' differences in perspective, leaving uncontrolled, untransformed ambiguity 'outside' or 'underneath' these realms of clarity, in the interstices between subcultures." (Ibid., 93-94)

The shortcomings of the mini-Integration critique and the magnitude of differences between the Integration and Differentiation perspectives become most evident in Differentiation studies that distinguish between two or more subcultures (in this study the earlier mentioned three types; top management, management and employees.) In this type of Differentiation study meanings do not evolve in isolated subcultural havens. Instead, subcultural differences evolve in reaction to surrounding influences. In short, the Differentiation perspective differs from the Integration view at the individual, subcultural and organizational levels of analysis. (Martin 1992, 95-96)

4.5.3 The Fragmentation Perspective

The defining characteristics of the Fragmentation perspective are its focus on ambiguity, the complexity of relationships between manifestations and a multiplicity of interpretations that do not coalesce into a stable consensus. A Fragmentation study uses analyses of difference to explore multiple meanings, paying attention to absence as well as presence. This is a mode of thinking that is particularly useful for understanding variation within groups and revealing the ways how the context influences interpretations. Within group variation (e.g. gender or race), contextual determinants of behavior and absences are seen as important sources of understanding, the silenced voices of demographic minorities are more likely to be heard. (Martin 1992, 130, 141) In this study, the emphasis is on the individuals as such: the gender, ethnicity, etc. have no role.

In a Fragmentation study of organizational cultures, themes do not provide a clarifying ideology. The ideology is as ambiguous as other aspects of working life. Actually, Fragmentation studies see culture as a web of individuals, sporadically and loosely connected by their changing positions on a variety of issues. Their involvement, subcultural identities and individual self-definitions fluctuate, depending on which issues are activated at a given moment. Actually, Fragmentation studies often abstain from defining culture at all. They avoid clear group boundaries and clearly defined subcultural relationships. They also consider subcultures to

portray boundaries as permeable, subcultural membership as fluctuating, and relations among subcultures as multivalent. Because the boundaries are subjectively construed and socially constructed, one person sees them differently than another. The Fragmentation perspective stresses negating clarities and disrupting shared assumptions. (Martin 1992) The Fragmentation perspective embraces a postmodern view of organizational culture; it looks for neither consistency nor stability. Instead, it focuses on the ways in which organizational cultures are inconsistent, multiplicitous, ambiguous and in a constant state of flux. (Hatch 1997, 230)

4.5.4. Differentiation Perspective in this Study

I chose the Differentiation view as the main perspective of the three views since there are several reasons that support it. I see values as a part of organizational culture and subcultures. Organizational consensus is also important. The Differentiation view defines culture as that which is shared. Unlike the Integration view (which defines culture similarly), Differentiation studies define the boundaries of a culture at a group level of analysis, focusing on consensus within subcultures. Some Differentiation definitions deliberately set out to provide an alternative to the Integration view, denying the possibility of organization-wide consensus, while other studies allow subcultures to co-exist with some kind of organization-wide sharing. Differentiation definitions differ to the extent to which they define culture in terms of uniqueness and to which they emphasize conflict. (Martin 1992, 98)

Some Differentiation studies describe managerial attempts to create organization-wide consensus with evident skepticism and stress employee resistance. For example, Kunda examines employees' reactions to deliberate attempts to create shared values through participation in rituals. My aim is to study this possibility, as well, since the manager's role in value processing is important (as will be explained in the empirical part of this study). As mentioned earlier, Differentiation research varies in its treatment of organization-wide consensus. Some Differentiation studies describe attempts to create organization-wide consensus as successful efforts that nurture various forms of false consciousness and limited resistance; other studies see such cultural control attempts as unlikely to succeed. Even the Differentiation studies that see organization-wide consensus on some issues as a possibility, however,

supplement this unity with descriptions of inconsistency and subcultural differences that would be alien to an Integration account. (Martin 1992, 99-100)

Differentiation accounts differ also to the extent that they make claims that particular cultural configurations lead to improved organizational effectiveness. Some studies claim that because of the inconsistencies and lack of organization-wide consensus, the supposed benefits are not obtained. Other studies question the wisdom and ethics of value engineering for profit. Some Differentiation studies also see conflict expression as constructive – a different approach to deciding what effectiveness might be. (Martin 1992) In this study, I will present my own "differentiation view" about value processing in the case companies.

4.6 Summary of the Research Design

This study is done qualitatively by content analysis. The value processing in all three case organizations is studied through individuals' perceptions: I outline themes around the research questions, and analyze them based on the interviews. The different hierarchical levels of the interviewees strongly incorporate the individual aspects. This study is situated in the field of interpretative organizational culture theory. The symbolic-interpretative approach in organizational culture studies involves describing how organizational realities are socially constructed; in this study the value perceptions are the focus. Values and organizational cultures are in theoretical circles sometimes seen as an old-fashioned fad, but since organizations themselves talk about these matters, I believe they are worth exploring. In this study I see values (the real, not necessarily the official ones) as representations of organizational culture. I have asked the organizations' employees to speak about their perceptions of values and value processing, which gives me tools to analyze the organizational culture: values and cultures are interconnected in organizations.

The Differentiation view supports the analysis in this study by its subcultural view: the interviews are conducted at different hierarchical levels, where subcultural aspects arise, especially between the management and the other employees. In short, the three perspectives could be defined as follows: Integration studies describe the relationship between one cultural

manifestation and another as consistent. Differentiation studies describe these relationships as clearly inconsistent: the interpretation of one manifestation directly contradicts the interpretation of another. Fragmentation studies move beyond clear consistencies or inconsistencies to reconceptualize the relationships in multivalent terms; as partially congruent, partially incongruent and partially related by tangential (perhaps random) connections. (Martin 1992, 141)

5 VALUE PROCESSING IN CASE ORGANIZATIONS

This is a multiple case study which consists of three cases. The case companies were chosen from different business sectors. The aim was to acquire in depth knowledge and understanding about values and value processing in companies. One case company would not have provided sufficient information about three different business sectors. Also the comparison between different companies and their value processes was possible by studying multiple cases. Interviews at different hierarchical levels bring an interesting sense of diversity to the study. The research is divided into four themes in all three case companies (Figure 8 below). I want to emphasize that I defined the themes after analyzing the empirical data several times. The reason why the themes are presented here (at the beginning of the empirical part) is that it makes it easier to follow the study further. The themes were chosen by the method of content analysis (see e.g. Kyngäs 1999, Janhonen & Nikkonen 2001).

Theme 4 Individual Level	Theme 3 Organizational Level	Theme 2 Factors/Tools Level	Theme 1 Company/Process Level
Respect Communication Individual's Responsibility	Management's Role Organizational Culture Organizational Form Individual's Role in Different Hierarchical Levels	Methods of Implementation Reasons for Implementation Factors Affecting the Process	Value Processing in Organizations

Figure 8: Themes of the Empirical Research

Theme 1 describes the company/process level. This is the starting point in this study. The case companies have their own value processes, which are the main subject in this research. These are divided further to Theme 2, the factors/tools level. This level includes the methods of

implementation, reasons for implementation and factors affecting the implementation process. These can be further divided to Theme 3, the organizational level. The factors (from the organizational member's perspective) affecting Theme 2 are the management's role, organizational culture, organizational form and the individual's role at different hierarchical levels. When analyzing these further, Theme 4 (individual level) arises: respect for the individual, communication and the individual's responsibility in value processes. These themes will be more precisely analyzed in following chapters.

First, the case companies are introduced. Company A is a forest industry company. It has a long history as a family business before several mergers and internationalization. The local mill has become dependent on the head office (in Helsinki) through several mergers. Currently, it is an exchange-listed company and one of the world's leading producers of printing papers. The company's business focuses on magazine papers, newsprint, fine and speciality papers, converting materials and wood products. The company has production in 15 countries and an extensive sales network comprising over 170 sales and distribution companies.

Company B operates in the bank business. The head office is in Helsinki. This bank-group consists of several local banks and is cooperative. There were 236 cooperative member banks at the end of March 2006. Their operating area covers the whole of Finland.

Company C is also a cooperative company. The head office is in Helsinki and different local corporations operate in their own provinces. The group consists of the cooperative societies with their subsidiaries. The group business includes food and groceries, specialty goods, hotels and restaurants, hardware and agriculture, automobiles etc. The purpose of the group is to provide services and benefits for committed customer-owners.

Based on the empirical part, it can be said that company A takes values straight from the head office, company B also takes values from the head office, but works a great deal during dissemination (with the personnel), and company C makes its own, local values keeping the head office's values in the background. These processes are more precisely represented through "the typical rational model of the decision process with a feedback control element" (introduced in

Figure 3, p. 37). Since these basic elements of the model can be seen in value processing, as well, the case companies' value processes are presented with it in the beginning of the empirical data analysis.

Finnish companies have been consciously searching to establish values for over 15 years. The most famous model is Nokia. It has been said that one of the most important factors in Nokia's success have been its organizational values. At Nokia, the values and their application are constantly observed and all kinds of learning is welcomed. (Aaltonen and Junkkari 1999, Martinsuo 1999) Values are complicated and challenging. In the next section, I will introduce the targets of value processing in the case companies. The values of each company cannot be directly mentioned due to the need for anonymity. Nevertheless, they include e.g. openness, environment, trust, initiative, group cohesion, the human being as an individual, customer orientation, innovativeness, profit, provinciality etc.

5.1 Targets for Value Processing

In this section, I will introduce the targets for which the case companies started their value processes. Other issues that are strongly related to this subject (e.g. problems in value processing, the feasibility of the process etc.) are touched on briefly in this section, but they will be discussed more further on in this study.

A common phrase we hear today is that every organization needs to have values. It is said that organizations want and need to develop common cultural values for their members. These "organizational values" communicate what an organization believes and what it considers to be important (Hitt et al. 1998). Employees need to feel connected to the organization and its values (Aaltonen & Junkkari 1999). It might be more than complicated if values were given as orders by strong management. All members of the organizations should at least be considered when values are being chosen (ibid.). The official values often differ from the real values, which plays a role behind the official scenes. These "real" values are interpreted by interviewing the personnel.

Companies are interested in ethics and values for many different reasons. E.g. Mullins defines three reasons: first, for some people and companies ethics and values may just be a case of following fashion. They define ethical codes and values because "all the others do that too." Another reason can be a response to pressure; e.g. public exasperation with the company's actions. Companies have to act ethically to stay in business. A third possible reason for pursuing values is the prospect of profits. Part of the folk wisdom behind business ethics is that it pays to be ethical: good ethics is good business. This is true in some highly respected companies who profit from their ethical reputation. Still, companies have to constantly keep working at it. "If there is an ethics dividend, it has to be earned – through set-up on recurring costs in time and resources and possibly also in terms of opportunity costs… If ethical business does pay off, it will only do so over time as an investment and if one is still around to reap the benefit." (Mullins 1999, 148) In the long run, ethical business is good business as long as companies are ready to work for their ethics and values. Long-standing ethical reputation is good business, but it does not happen automatically. It takes commitment and hard work.

Values are developed over time and may be strongly linked to societal factors such as peer group or strongly held beliefs emanating from membership in organizations or deriving from particular creeds. Organizations have become more and more interested in both the individual and collectively held values which permeate the organization. The organization may seek to portray a strong ethical stance in its operations, reflecting commonly held ethical values inside the organization. (Brooks 1999, 27)

The value process has many targets: e.g. ruling change, making customer relationships better, improving the working environment, helping decision making, developing management culture and adding value knowledge. In merger situations, values are often considered, (Aaltonen and Junkkari 1999, 232-233) as in the forest case company. According to Mullins (1999), there is one more reason why companies act ethically: because the people involved consider it is simply the right thing to do – not because it is fashionable or profitable.

5.1.1 Company A: Through Mergers to a United Organization

The company had the "usual" reasons for starting the 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 generated and given from the head office straight to the local level. The top management in the head office selected values and then informed the local units.
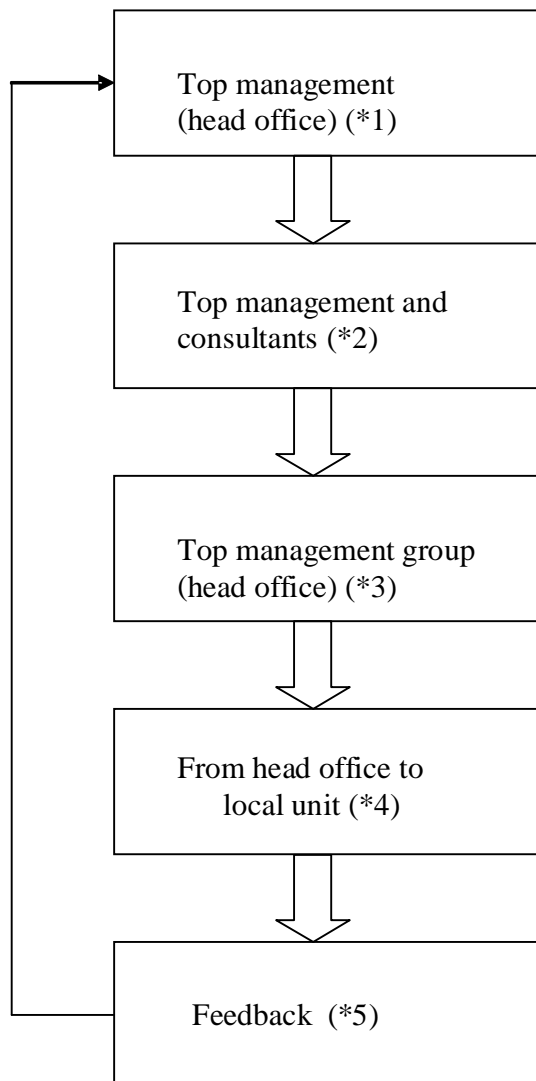
Figure 9: Value Process in Company A

The process of value dissemination is presented in Figure 5. The top management defined (1*) the need for value processing, and generated and evaluated (*2) options with outside consultants. They (top management group) selected the official values (*3), and gave them as such to the local level for implementing (*4). The feedback (*5) is based merely on basic personnel questionnaires.

Manager, local level:

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

The company expanded fast through mergers from a local family company to a unit of an international corporation. The situation created a need for common values in the company. 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, head office:

"We were trying to create, and we are still 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"

Values were created to connect the whole personnel. The top management wanted to create a common way of acting inside the company, "a glue" that would keep everything together. As mentioned before, the higher the level of trust that management can generate, the greater the level of empowerment achieved. "Make people feel important and give them a sense of personal worth. Give full recognition and credit when it is due and let people know you appreciate them." (Mullins 1999, 226) Without organizational values organization members will, by default, follow their individual systems. These may or may not promote behavior that the organization

finds desirable. Therefore, organizations establish values to provide their members guidelines for behavior. Organizational values provide the framework for the organizational culture. (Bell 2005)

Employee, head office:

"In my opinion the thing behind our values is the sensible thought that the world is changing... We can no longer live in similar hierarchical organizations where the superior always knows everything and exact orders always come from above. We have to trust people and their intelligence and... they have a huge capacity to solve problems and act when they have the opportunity to do so."

Values are considered crucial in a changing world. Corporations grow, merger and internationalize all the time. For a larger organization where desired behavior is 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) Strict orders on how people should behave in different situations cannot be stressed enough: with a common (and working) value basis it is easier.

Employee, local level:

"I could assume that they wanted to have some kind of overall unity in this company. We had in a way three, four corporate cultures which were smashed together and its management has been quite difficult in the beginning. Probably behind it all was this idea about a common way of operating..."

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 at different hierarchical levels (presented in further chapters), the majority of interviewees, both in the head office and at the local level, agreed on the targets of the value process: unity, togetherness, team spirit etc. after the merger.

Employee, head office:

"It was *the merger situation... Two different organizational cultures become one…"*

Values can also be seen as control tools for organizations. After the merger, the company needed to have a common foundation to achieve success.

5.1.2 Company B: History Supports in New Challenges

The bank has long-standing tradition of ethical principles. The corporate strategy has earlier included four ethical rules. Values were made and given from the head office and processed locally with the personnel.

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┌──────────────────────────┐
│   Top management (*1)     │
│   (head office )          │
└──────────────────────────┘
           │
           ▼
┌──────────────────────────┐
│   Top management          │
│   (head office) (*2)      │
└──────────────────────────┘
           │
           ▼
┌──────────────────────────┐
│   Top management          │
│   (head office) (*3)      │
└──────────────────────────┘
           │
           ▼
┌──────────────────────────┐
│   Local management and    │
│   employees  (*4)         │
└──────────────────────────┘
           │
           ▼
┌──────────────────────────┐
│   Inquiries (local unit) (*5) │
└──────────────────────────┘
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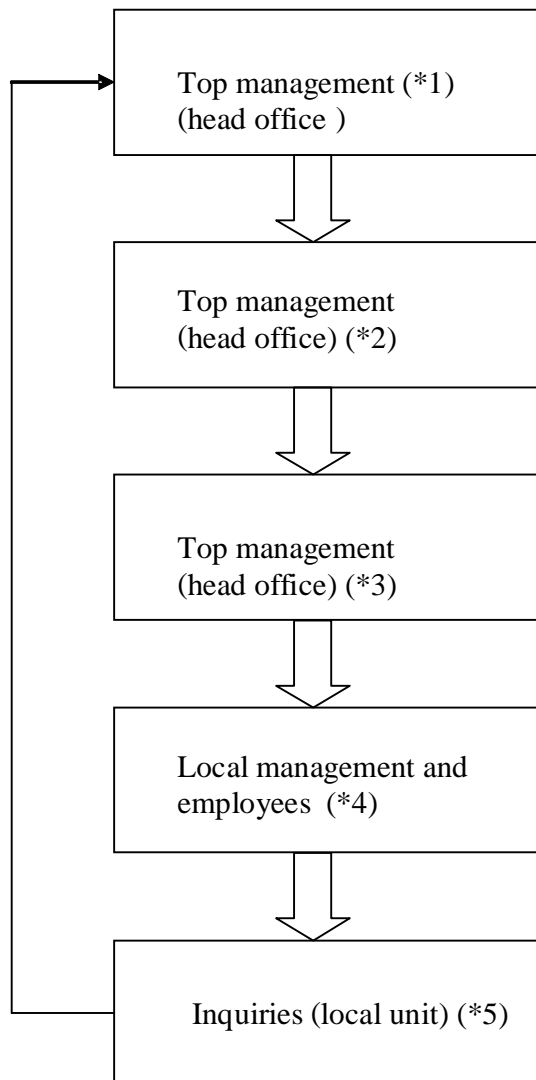
Figure 10: Value Process in Company B

Figure 1 presents the value process in the bank. The head office defined (*1) the need for official values, and generated and evaluated (*2) different options. They selected the values and informed the local unit (*3), which processed the values together with the entire personnel. The feedback of value process has been low.

Manager, head office:

"The value process was started when we renewed our organizational strategy and management system... We renewed our strategic framework in connection with values."

A company's line of business, history, size and many other factors have an effect on how the value process is carried out and the reasons why values are needed (Aaltonen and Junkkari 1999, 230). Very often, the value process is started when organizational changes occur; for example when organizational strategies and policies are reformed, just as in the bank.

Manager, head office:

"At least at some level the reason for the value process was that values became more and more like a household topic: people wrote about values, they spoke about values, there was much literature... Values were a "must", every organization had to have them. I have never been in a bank where people had somehow been awakened to values."

The "value trend" was clearly recognized in the bank. One reason for the official value processing was the external pressure from the society, business world and business literature. Values were "in", and companies wanted to seem as up-to-date as others: the value process seemed to be "the spirit of the times".

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 happened in the bank sector also."

During the severe bank crisis in the 1990s, surviving was the only focus of banks. After the bank crisis, new strategies were built, and they usually included values.

Employee, head office:

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

Values were seen as one answer to surviving the bank crisis. They were seen as something new and possibly an overarching way of making success.

Manager, local level:

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

The value basis at the bank seems to have a strong history. Values have "always" been present in bank employees in their way of thinking and acting. The organizational form, cooperation, is also an important factor.

Manager, head office:

"In our traditions, our traditional culture, we have this group unity, trust and humanity... It has become obvious also through research 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 history of the bank has created reliability. The traditional culture makes the bank "softer" than its competitors. The value "humanity" creates trust.

Manager, local level:

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

The bank processed the given values locally with its personnel. The values were "given" by the head office, but were widely discussed at the local level. The participation of the personnel led to commitment, although the common history also made the process easier. Since the values were not dictated, they were easier to accept: the resistance towards change (values) was low.

Manager, local level:

"People feel that this bank cares about people... The imprudent actions of banks in the 90s greatly reduced their trustworthiness. People trust our bank, they feel that it cares about the people here."

The image of the bank seems to be good. The unit has attained trust in the local society. The bank came out of the general bank crisis quite well.

Manager, local level:

"Every individual and every company has to have a guiding star. A guiding star is a vision, which has to be so clear that it can guide... Values are the landmarks which keep the company on the right track when there are no other rules to follow."

Values are often considered as the thread that runs through the whole organization, as this comment expresses. Values are seen as the basis for everything. There cannot be rules for each and every situation that occurs in everyday life; it is values that give guidance.

Top manager, head office:

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

Values are seen as an important component of the bank's organizational culture; the way to behave. Organizational culture controls the way members make decisions and how they behave in different situations. (Jones 2001, 130) It is related to organizational identity, which refers to how individuals regard themselves in the organization (Hatch 1997, 214). Siehl & Martin (1984, 227) have defined organizational culture as the glue that holds an organization together through shared patterns of meaning. The culture focuses on values, beliefs and expectations that members come to share.

Employee, head office:

"We try to find a common value basis, how we see our bank."

Employee, local level:

"It is this bank group culture... They (values) are somehow self-evident, been there for ever... But it's still good to have them (values) on paper, too."

Values are seen as a part of the culture. In some quotations, they are presented as a self-evident element. Still, the official formulation is also seen as important. Values "on the wall" are also important.

Employee, head office:

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

The individual vs. professional values emerge in this quotation. It also takes time to adjust oneself to a company, organizational culture and values. Personnel must feel connected to the organization and its values, meaning that the individual vs. professional values are not in conflict. The personal values should not be too different from the organizational ones, although they do not have to be exactly the same. When individual values conflict with organizational values, usually the individual ones prevail. (Triandis 1995)

Employee, local level:

"I think that the aim was to generate a good image and profit, so that the bank would succeed. That's the basis."

As mentioned before, image is an important factor when dealing with values. It is especially so in big companies and corporations where values are used as a vital tool to promote and improve the public image. Corporate image refers to impressions of the organization formed by others (Hatch 1997, 257).

Employee, local level:

"Values are brought up on every customer and personnel occasion... The manager always brings values up in the first transparency slide..."

The role of values as both an external and internal image/identity creator was recognized by the bank. Meetings inside and outside the bank were started by introducing the values. This was usually done by a majority of the personnel.

Employee, local level:

"We are a big organization, but everything should work fast and be flexible...Humanity is the value that suffers most from this..."

The inside/outside values are contradictory. The official values cause conflict between the "inside" and "outside" values: e.g. humanity as a value seems to be more important outside than inside the company. Of course, "the customer comes first", implies a service-oriented company, but also employees need recognition.

Manager, local level:

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

The organizational form seems to make value processing in the bank easier than e.g. in PLCs (like Company A).

Manager, in the process:

"Cooperation means working together. If the bank is successful, the area is successful."

Cooperation means unity: when the bank makes a profit, it avails the local area. This synergy creates advantages to both parties.

Manager, in the process:

"A value process has always the goal of finding the common spirit of 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

through personnel participation. By participating they start to think about the issues themselves."

Also organizational identity was emphasized. Identity refers to a member's experiences within the organization and its beliefs (Hatch 1997, 257), in this case the values. Values are seen as the rallying point for the bank as long as they are carefully processed among the personnel. The participation of the personnel creates commitment.

Manager, in the process:

"I think that more important than how the values are formulated is how the contents are understood. What each defined value means and how it is disseminated."

The contents of the values were emphasized. It is more important that the values are understood by the personnel than how the official values are worded. Values should not be merely empty words: instead, they should be processed with the employees' tasks in mind: what each value means in terms of the tasks.

5.1.3. Company C: Own Local Value Create Commitment

The market company connected values with the company policy.

```
┌─────────────────────────────┐
│                             │
│   Top management (*1)        │
│   (local level)              │
│                             │
└─────────────────────────────┘
              │
              ▼
┌─────────────────────────────┐
│                             │
│   Top management             │
│   (local level) (*2)         │
│                             │
└─────────────────────────────┘
              │
              ▼
┌─────────────────────────────┐
│                             │
│   Head office                │
│   Local management (*3)      │
│                             │
└─────────────────────────────┘
              │
              ▼
┌─────────────────────────────┐
│                             │
│   Local management and       │
│   employees  (*4)            │
│                             │
└─────────────────────────────┘
              │
              ▼
┌─────────────────────────────┐
│                             │
│   Inquiries (local unit) (*5)│
│                             │
└─────────────────────────────┘
```
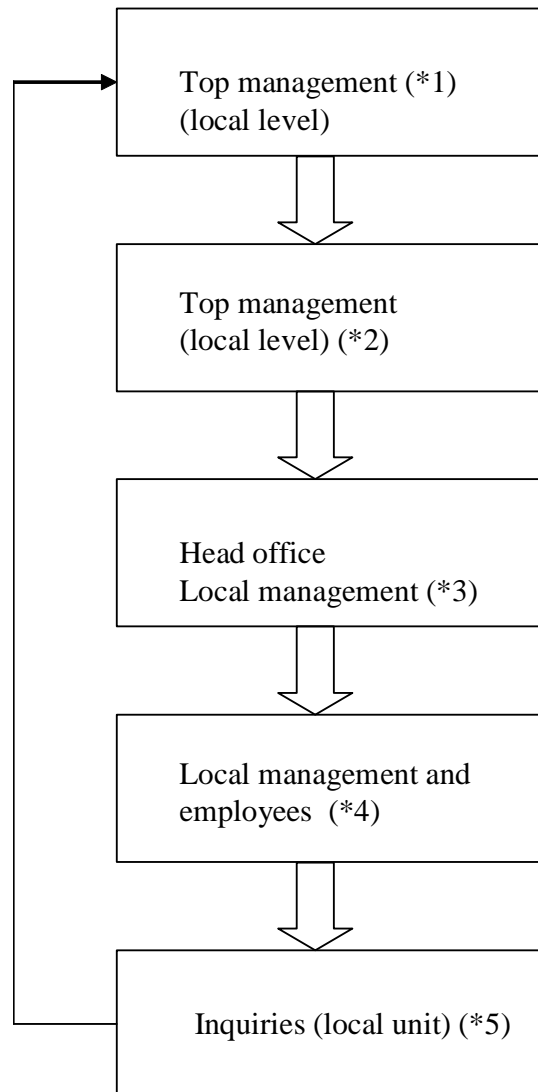
Figure 11: Value Process in Company C

First the local unit realized the need for new values e.g. because of its financial situation (*1). The local top management generated and evaluated value alternatives (*2), and included the employees in the process. The values were drafted and given by the head office, but the local

company added its own, local values: (*3). The implementation was carried out together in the local unit (*4). The feedback is based on basic personnel inquiries at the local level.

Manager, head office:

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

The variation of values at the local level is acceptable to the company. This makes the value process easier when local units want to tailor their own, local values.

Top manager, local level:

"Values are connected to the corporate span, and our country (Finland) also covers quite an extensive land area, so local markets have different values. Especially in these kinds of cooperative markets, we have different life spans."

The freedom of value tailoring at the local level is seen very optimistically among the local personnel. The organizational form has a crucial role in the company's value process. Since the market group operates around Finland, there are some differences between the head office and the local level. The local company wanted to make its own, local values to support its actions.

Top manager, head office:

"It (values) means what we do in our everyday life here."

Manager, local level:

"We needed to find a common foundation to unite our personnel."

Values were seen as a rallying point for the company and the personnel in the market company as well. Values were processed because the company needed something to create a sense of togetherness within the company.

Top manager, local level:

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

The economic situation was also one important factor when values were adopted in the organization. This can be seen in all case organizations (and was one reason why they were chosen). There were new challenges that had to be responded to effectively. Values were processed as a part of the local company strategy.

Employee, local level:

"They were made as the basis for our activity and so that we would differ from our competitors and could offer better service to our customers. Those were the basic points."

Customer orientation in value processing is clear. The market is naturally service-oriented: customers come first. The aim was to achieve credibility in both the insiders' and in the outsiders' eyes. A healthy business image requires that promises be kept (Aaltonen and Junkkari 1999, 232-233). Naturally, the values of the organization should support its mission (Bell 2005). Both organizational identity (inside the company) and corporate image (outside the company) were interlinked with the value process.

Manager, local level:

"Nowadays companies just can't operate like they aren`t part of the surrounding society. A modern company needs values to guide its actions forward. "

Employee, local level:

"Every organization has to have values."

Nowadays, companies have to be modern and keep up with the times. Values are a fad, but they are also a crucial basis for companies. Values contribute to the basis for judging right from wrong (Hatch 1997, 214).

Manager, head office:

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

The practical side of value discussions was emphasized. Values should not be issued to the personnel without any reasoning to back them up. Organizational values should provide a guide or framework for the organization's members in accomplishing their part of the organization's mission (Bell 2005). The process itself should be explained explicitly to the personnel: why it is done, what it means to each employee etc. It is the management's task to set an example.

Employee, local level:

"The aim was to raise the personnel's awareness of values. What we are going to do and why."

Values were processed to support the behavior of the personnel (in addition to customer orientation). Organizational values define the acceptable standards which control the behavior of individuals within the organization. Without them, individuals would pursue behavior that is in line with their own individual value system, which may lead to unwanted behavior from the company's point of view. (www.teal.org.uk)

Top manager, local level:

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

The value process was seen as a taxing task, and the long implementation phase was understood quite well: organizational values take years to implement.

Manager, in the process:

"The corporate image is the organizational culture which has been derived from the values."

The corporate image, culture and values were seen as interlinked: each component affects the others. Just like the way an organization's structure can be used to achieve competitive

advantage, an organization's culture can be used to increase organizational effectiveness (Smircich 1983).

The company employees feel that they represent the market all the time, at work and off duty. Both the "inside identity" and "outside image" has to be taken care of, as can be seen in the quotation below:

Employee, local level:
"We are a living advertisement for the market, that's why it is important to make significant investments to the personnel."

5.1.4 Conclusions about the Targets of Value Processing

As mentioned earlier in this chapter, the value process has many targets: e.g. managing change, improving customer relationships and the working environment, helping decision making, and developing the management culture, especially in mergers and other organizational changes. (Aaltonen and Junkkari 1999) The values were often described as "inside identity" and "outside image" in the interviews.

The targets for the value process are quite similar in all case companies. Changes in the organizational environment, mergers and new strategic plans were reasons for value dissemination. The employees have quite a similar understanding of the targets. The main findings are listed as follows:

1) Values are processed because the companies need to have something "to keep it together" in the changing world (mergers etc.).
2) Unity within organizations and togetherness in the company are the targets.
3) Values are disseminated because the employees need to feel connected to the company: "who we are and where we are going – supported by our values".
4) Values are processed since "everybody does it".
5) Values are seen as a fad, not as a true intention to improve organizational culture.

6) Values are created for both inside and outside the company: inside as an "organizational identity" and outside as a "corporate image"; there is discrepancy between these two aspects.

When considering different subcultural groups in the case companies, the main targets can be concluded as follows: In Company A, the targets for value processing were deemed quite similarly by the top management, middle management and the employees. The top management and middle management emphasized the merger, internationalization and creating a common organizational culture for the company. The employees emphasized unity as a target for value processing in their organization.

In Company B, the targets among the top and middle managers were also described similarly: values were referred to in the company strategy and the group culture. The impact of the common "value trend" in organizations was also recognized. The employees also emphasized the cultural aspect of values, as well as "the way we work here". However, a good profit and image were seen as the targets of value processing, and also as diminishing the well-being of the employees, e.g. humanity as a value suffers from the efficiency demands.

In Company C, the targets were perceived similarly at different organizational levels. The main targets according to the top management and middle management were the business idea and the vision. The employees' comments supported these; employees emphasized the values' role in the service business, and saw themselves as a "living advertisement" to the outside world.

5.2 Factors Affecting Value Processing: Starting with the Individual View

Based on the empirical data (interviews), there seem to be several factors affecting the value process and dissemination. The ones that arose from the interviews are the organizational form, organizational culture, management and the individual's role. Especially the communication in the organization was emphasized: how the individuals perceive values as a phenomenon. A common finding was that, in the end, it's about respect towards individuals; if you respect your employees, you keep them informed about organizational actions. On the other hand, the

employees also need to respect their colleagues and managers. Employees are not "machines without a mind of their own" that take everything (e.g. values) for granted, nor are they above the responsibilities concerning all members of the organization (when e.g. processing values).

The factors mentioned above form the trinity concerning value processes in organizations. When reporting empirical findings in the above-mentioned areas, the problems concerning each of them are also taken into consideration: the aim is to look at each area, individual perceptions and problems, as a whole. The individual view in value processes remains the most important point of view through the whole study. The individual perceptions about the values as a phenomenon are studied next.

People in the case organizations perceive value as a phenomenon surprisingly differently. Even though values in general are viewed positively, organizational values are not. Very often the management describes values in a favorable light, but other employees do not. The "subcultures" inside the organization come forward. According to Crane (2004), whatever the approach an organization might have to managing business ethics, whether formal or informal, compliance-based or values-based, minimal or extensive, the role of the organization's leaders is significant. Leaders are often said to set the ethical tone in organizations. In the following chapters, there will be more specific discussion about the management's extremely important role in value processing. First, values as a phenomenon in the opinion of individuals will be studied through the empirical findings. Naturally, we have to know how people perceive values before we can progress to value processing. "Before managing values, one needs to have some idea of what these are and how they affect an individual's behaviour" (Griseri 1998,11).

Values are general criteria, standards or guiding principles that people use to determine which types of behavior, events, situations and outcomes are desirable or undesirable (Jones 2001, 130). This definition is common also in the empirical findings. Values mean what is right and what is wrong to theorists (e.g. Crane 2004) and to people in organizations. As mentioned earlier, one paradigmatic approach in this study is the interpretive paradigm of 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. The symbolic-interpretive approach involves trying to understand the perceptions individuals have, how they make sense of them and what meanings those perceptions hold. Therefore, it is concerned with the meanings which those experiences hold for the participants. (Hatch 1997, 49) Values are researched in this study through individuals' perceptions, as they exist in their opinions.

5.2.1 Company A: Values Are Difficult

Values are described quite varyingly in Company A. Many times in employees' opinions values are referred to as a conscience, as in the quotation below.

Manager, head office:
"I think values are very much like a conscience. What is right and what is wrong. So, values guide both individuals' and companies' behavior. So when we speak about a company's core values we speak about a company's conscience."

Manager, head office:
"I would say that values are experienced a little bit varyingly... Everybody knows these values and everybody has his own idea about how we should behave... I'm absolutely sure that no one can ever say that everybody acts according to values. It is a totally utopian though."

Value discussions are also perceived to be somehow too abstract and unclear. This seems to be common especially among the employees (compared to managers). Some sort of understandable communication seems to be missing. Some of the managers admit this openly.

Employee, head office:
"In some way value discussions are a little bit inaccurate sometimes, so I understand that it somehow makes people feel troubled... even a little bit disgusted... some kind of hypocrisy and wordmongering."

Values are seen as a fad especially at the local level. This seems to stem from the organizational history, mergers and changes. Company A (the mill), which was once part of an independent company that was managed by a patriarchal "father figure" (a style that was common in the pulp industry), used to be known for its strong organizational culture and community spirit. (Mattila 2000) Hierarchies in the company were low, and the manager was attainable to the personnel. The local mill had become dependent on the head office through several mergers. Through the years and several mergers, things have changed: while analyzing interview data, it is apparent that people at the local level experience that organizational culture has changed radically for the worse. The value process is being dictated from above, which leads to resistance. People at the local level feel that their independence is gone forever. The resistance toward change is strong. People at all levels of the local organization feel that the head office controls too much.

Manager, local level:
"In my opinion, these written values are experienced as a passing fad."

Employee, local level:
"Unfortunately I have quite a bad picture of the values…"

Manager, local level:
"I think opinions differ… There are people who think these (values) are a fad that had to be invented by the management… On the other hand, people do appreciate values, for example when something in everyday actions is criticized, values are very often brought up."

In the forest company, values are experienced quite negatively. The fact that values were "given as an order" from the head office creates even more negative vibrations. Values are invoked whenever something "bad" happens, but not discussed in general.

Manager, local level:
"Values as a word is frequently used… It is easy to hide behind values…"

Values (especially organizational ones) are perceived as quite strange and difficult at the local level.

Employee, local level:

"In my opinion, values as a word is weird."

Employee, local level:

"I think they (values) are... a great kind of education to the grass-root level employees... that will be forgotten when time passes."

This comment reflects very well one of the main problems in value processing: communication and management. Communication in and through the organization is extremely important in value processing. If people are not aware of values, what they mean and what the aim is in value processing, they get frustrated and demotivated. The situation gets worse when people feel they are not informed enough.

Employee, local level:

"The values aren't really thought of at all out there on the field. Maybe someone can recite them when asked... Words and deeds are in conflict."

Manager, local level:

"Values are not normally discussed here; it is not a relevant question. Sometimes people laugh at the thought of having these kinds of values... like a joke."

Value discussions seem to be weak: people are not familiar with values, or they even experience them as a passing fad. The information and communication (from the management's direction) seems to be the biggest obstacle. Employees are against values also since the words and deeds do not meet. Values are described as a joke.

Employee, local level:

"Values mean that you should do what you wish others to do to you... In this work community we have not had any value discussions in my time...You could say we rather have our own professional values... "

Since the official value discussions have been weak, the employees have created their own professional values to follow. This mirrors the individuals' need to have values: if the company does not assist them by processing official values, the employees make their own.

Employee, local level:

"It's quite exiting to start thinking about what values mean... it isn't so easy, is it. Something that is appreciated..."

Values as a word, as a phenomenon, seem to be very difficult to understand among employees. The information about values and value processes has not reached them. Transformal leadership is needed.

Employee, local level: *"In my opinion, the word "values" makes it somehow clumsy... or too solemn..."*

When interviewing people at the local level in Company A, I was stunned by how difficult the term "values" can be. People see values as too difficult, too lofty and too management-oriented. When I talked further about values as an issue of right or wrong, it seemed to clarify the phenomenon to people. At the moment, values are not valuable in the eyes of employees. This has a great deal to do with management and communication; the organizational culture. Behavioral integrity does not exist.

Employee, local level:

"Values mean dignity. Here people would like to act according to the values, but there is this conflict...Everybody just wonders what should be done."

Employee, local level: *"I don't remember that we have ever talked about values for example at the coffee table or anything."*

It seems that in Company A, the greatest problem in perceiving values is the lack of information and communication. Values are not discussed, they are just empty words. This leads to management and organizational culture with respect for the individual. These will be further examined later on in this study.

Employee, local level:
"People do appreciate values here, but they feel frustrated... That even talking about them is useless."

Values as a phenomenon are appreciated, but since the employees have not been informed enough about them, they feel frustrated and think negatively about the whole process. The most important reason for this could be the change from a family company to a unit of a large corporation: the old culture is preferred to the new, strange culture. New values are perceived as orders from the head office and are not welcome.

Employee, local level:
"As I already told, these values are a laughing-stock here...Big words, opposite deeds."

5.2.2 Company B: Cooperative Value Basis

According to the empirical findings, values are experienced quite positively in Company B. Employees seem to understand them in an Aristotelian sense: virtue stands for the qualities of character that make a community member fit to function to an excellent degree within the social fabric. Virtue is as much a communitarian as it is a personal concept. (van Luijk 1994)

Manager, head office: *"Values are some kind of higher forces, which direct our actions."*

Manager, head office:

"It evokes something sacred and eternal..."

Employee, local level:

"What I am as a person, I am due to my values, so in a way it is those everyday things and everyday life."

These comments reflect the "alternative" understanding of values: values mean how people behave in their own everyday work.

Manager, head office (in the process) : *"In my opinion, values are more ethical, more abstract things, which manifest themselves in a concrete way."*

This comment reflects the way values are understood differently among employees. This manager has been in the value process as a promoter, and he/she speaks about values in a quite abstract and complicated way. Based on the empiria, this seems to be one of the most important factors in value processing: the communication and clear definition of values.

Manager, local level (in the process):

"I understand values as a concept of organizational planning, in organization development and management... Values are in a way above the strategy, the basis for everything... they change extremely rarely."

Values are seen as a cornerstone for the organization. They are seen as stable and supporting the company strategy.

Manager, local level (in the process):

"Nothing is usually totally value neutral. Even before you have thought about something, you have already given it some kind of a valuation. Valuation happens at the emotional level, before there is conscious thinking.

Values are constantly present, even when we do not see them ourselves. Values are a complex phenomenon, identifying them is problematic, and in many cases it is not even clear what individuals "really" believe. (Griseri 1998, 11) They guide actions constantly:

Employee, local level:
"Values are important and guide actions. They are important even though you don't think of them as values."

Manager, in the process:
"The problem is that people don't always understand things the same way... It's a big shame if the lay people involved can't understand why values etc. are processed. Many times when you see corporate values they have great headings. But how the contents are understood is more important, the content of values. What it means to each employee and how it is handled... This process is extremely important."

The understanding of values seems to be different for every individual. Naturally each person has his or her own, personal values. The challenge for companies is to make people aware and committed to the common, organizational values, as employees. Each organizational value should be described through an employee`s own task: what the values mean in the everyday work.

Employee, local level: *"I think values are quite much a fad, it is just great to have value discussions and put the values on the paper and on the wall."*

Employee, head office:
"I`m not saying that this is a bad fad, even though it is a fad. Unfortunately these things come from the States and then they are straight aped here without thinking that for example Finnishness could be one positive difference to utilize."

Values are considered as a fad also in Company B, even though employees appreciate them. This, again, leads to communication and management: are people told what values are, or are

they just words on the paper? Values are general criteria, standards or guiding principles that people use to determine which types of behavior, events, situations and outcomes are desirable or undesirable. (Jones 2001, 130) Values are both emotive and intellectual (Griseri 1998, 10), which makes the value implementation extremely demanding.

Employee, local level:

"The values are known by everyone here, so anyone can state them when asked. But how much they are perceived as related to their own work... that's a different thing. I think that at the supervisor level this is better acknowledged than at the actual employee level. There is still much to do..."

Also the empirical data from Company B suggests a lack of communication. People want to know about things. Values as a phenomenon are seen quite often as very sacred and abstract.

Employee, local level:

"Values as a word are so valuable that you at first think that it is something distant. But when you start to think about it more you realize that it means our everyday life, at work and at home. What we appreciate."

This quotation represents one of the common interpretations to defining "what values are": first values seem distant and even too lofty, but when considered more, they become more ordinary.

Employee, local level:

"A majority of the employees thinks that our values are good and fit well with this company. We are proud to work here."

The attitude towards values is quite positive in the company. Since the personnel was able to participate in the value process, the attitudes were optimistic. People are proud of the values and the company.

Employee, head office:

"A bit oversimplified, values mean home, religion and fatherland. Values are the basis for everything, they are somehow innate but you don't think about them every day."

One interesting fact which arises from the interviews is the connection between age and values. For older employees values are sacred, somehow constant and traditional. For younger employees they are not so important. This could be related to the time in which we live – it is often claimed that the younger generation does not appreciate older people and traditional values. It seems that the older generation of employees is more "Aristotelian;" they define values through virtue ethics. Younger employees are not as virtue oriented. It has often been claimed that the world is suffering from some kind of value void (see e.g. Airaksinen 1994, Aaltonen & Junkkari 1999, Rahkonen 2005).

As mentioned in the previous section the values among the younger employees is claimed to be "weaker" than those of older employees. Especially the basic customer service values seem to have weakened.

Employee, local level:

"Our young employees have all the technical skills but on the value side there is this void. How to behave in a service situation and how to take a positive attitude towards clients."

5.2.3 Company C: We All Defined Our Values

In Company C, the values are seen quite positively according to the empirical findings. The main reason for this seems to be good communication and personnel participation. Management has been keeping the personnel up-to-date on the values, what they mean and what the contribution in value processing is. The values in Company C were also generated and disseminated from the head office to the local level, but the local unit drafted its own "local" values, as well. Again, communication and information are emphasized. Still, it is clear that people in all case companies experience values differently. This is true also in Company C:

Manager, head office:

"You could say that there are two sides to it. Others think that values are important and they have to be recognized and that they should be the basis for business. And others think that it's just a fad, nonsense. So, others respect values and others think that values are like emotional drivel, and they don't approve of them.

Manager, head office:

"First people here were quite skeptical, like "what now, again some great visions..." But when we started to give it to them in plain language, they understood and got enthusiastic about values. "

Manager, head office: *"It's a classic case... One fourth of the people gets enthusiastic, half of the people follow from the sidelines and then join in, and then there is the type who's opposed to everything, to whom you should pay no attention... It's normal and you know it already when you are starting something new."*

The three comments above clearly reflect the challenges of value processing. Every new idea has to be pitched well to the personnel. There is always resistance towards changes and new developments within organizations. Communication and information emerge as important factors. The fact that people want to feel like they matter and be informed is significant. As Ahonen (2001) maintains, it is easy to see that one of the most important catalysts of human activity is the need for recognition. From the empirical data, it becomes clear that when people do not know enough about their organizations, they begin to create rumors about it. This is rarely a good thing for the organization. On the other hand, when people are informed and noticed, they feel respected.

Employee, local level:

"In my opinion, values are the main thread, some kind of directions for how organization work and decisions are made."

The comment above represents a very common way of defining values. They are seen as the cornerstone for an organization's actions.

Manager, local level:

"I would say that values are internalized. When something is done against the values, they are referred to immediately. People always refer to them."

In the event of misconduct, values are often mentioned: they play the role of the "moral police" in the organization.

Employee, local level:

"I think that employees experience value discussions as... like "well we can talk about it, as long as we speak so seriously"... But if values are asked about in terms of experiences/practices, I claim that they'll answer that of course things are done so here (in accordance with values). Values as a word is so solemn that people don't think about what it means in practice."

Values as a phenomenon seem to be quite difficult to understand in company C, as well. Even though they have been participating in the value process, there also seems to be a lack of information. This again leads to the management's role and example. Also values as a word is described as difficult to understand:

Employee, local level:

"I hope that someone would create a new name for values... For some reason the word "values" seems to be very difficult to understand. It is difficult to perceive what values really are."

Employee, local level: *"Maybe employees don't know how to apply values to practice, they don't see values that way... Even though e.g. our quality criteria include values..."*

The practicality of values seems to be difficult to understand despite the fact that values are included in everyday situations. They are not evident to employees.

Employee, local level:

"I would say that the employee level's value basis might be different from the top management level: the wisdom is in what you know."

Employee, local level:

"I think there are quite many conflicting views of values... Like others think values mean nothing and others think that values are very important."

Understanding values is difficult. On the other hand people see them very solemn, abstract and difficult. On the other hand, when thinking more about the phenomenon (and when they are informed by the management) it becomes clear that values are included in their everyday lives.

Employee, local level:

"Values are considered difficult, people say that they are difficult to comprehend. And on the other hand, values refer to things in our everyday lives."

5.2.4 Conclusions about Understanding Values

In conclusion, the following points should be emphasized regarding how employees understand values:

1) Understanding values is a very heterogeneous issue. Every individual experiences values differently.

2) The main point in the poor understanding of values seems to be the lack of information from management:

3) The personnel needs to know what values mean in their everyday work before they can commit to them. The organizational culture is an important factor in this. As one manager was cited in the text: *"The problem is that everybody doesn`t understand thing similarly...It`s a big shame if the lay people involved can`t understand why values etc. are processed."*

4) The age difference is another aspect that arises from the interviews: older people seem to have a stronger value basis than younger ones. This is probably linked to the common

way of thinking today: many people say that the society and especially the younger generation is some how "lost" in terms of their values. Still, a more serious problem than "today's value void" is the insufficient communication and understanding of values. Business life and its basic principles based on instrumental rationality simply need values as their counterforce to control them. (Miettinen-Saarinen 1990, Etzioni 1988 in Ahonen 2001, 223) The world is changing, companies have to keep up with it; with evolving, adequate (and understandable) values.

The understanding of values at different hierarchical levels of the case companies can be concluded as follows: Values are seen in quite a negative light in Company A, especially at the local level. Values are not present in company practices, they remain empty words. The word "values" is seen as a clumsy and too lofty a word. Even the managers say values are perceived as a passing fad, and the employees say that values are not a part of their work at all. The value dissemination has not reached the local level, especially the employee level.

In Company B, values are perceived a bit differently in different hierarchical groups. The manager, who has been part of the value process, realizes that there are always difficulties in understanding these kinds of phenomena. He emphasizes the importance of understanding the content: what values mean to each individual. Cooperation is also emphasized. Among the employees, some have a negative view of organizational values; they are seen as a fad from abroad, without a real basis for actions. Yet in general, the attitude towards values is quite positive. One interesting aspect is the differences between the older and younger generation; there seems to be a gap between their values.

In Company C, the outlook on values is quite positive; this has to do with the participation of the personnel. Values were processed together, and the employees feel their opinions matter. Still, at the employee level values are also described as a fad; this is recognized at the management level, as well. They admit that these kinds of processes are not easy to disseminate, and that there are also people who are against them. Nonetheless, they try their best.

5.3 The Role of the Organizational Form

The three case companies differ in organizational forms. The forest company is an exchange-listed, multinational company, which has developed from a small family company to a large international corporation. The two others, the bank and the market, are both cooperative. The history of these companies lies in cooperation. This makes the comparison between them extremely interesting. It is obvious that the organizational form matters (Williamson 1985, 274).

5.3.1. Company A: Stock Rules as the Limiting Factors

Company A is an exchange-listed company. If was once independent and family-owned, but trough several mergers it has become part of an international corporation. Nowadays, the stock owners are a faceless mass to the company. The head office has created values which are supposed to be processed straight to the local level.

Employee, local level:
"Now we have 100 000 owners, most of them are gray-haired old ladies in the USA... They don't even know where Finland is, not to mention where our local mill is. We are an exchange-listed company now, our owners are faceless to us."

Manager, local level:
"We have the owners who want profit. That's the basic thing in organizations."

The change from a family company to an international corporation is seen in a negative light. The stock owners are seen a faceless group of people, which demands instant profit.

Manager, local level:
"Many people claim here that openness doesn't work. But of course there is the argument that this is an exchange-listed company. The rules are strict, we can't tell everything to everyone. The law restricts these things very much."

One of the major problems concerning company values in this forest company is the value "openness". This is because people, especially at the local level, still remember "the old times" when the pulp was a family company where communication was open. At present, it is an incorporated company, which has to follow the Finnish act on general corporations:

Top manager, local level:
 "We have economic reasons to limit the flow of information. The biggest conflict (in values) is in the openness: people understand it very differently."

Manager, local level:
"People seem to forget that the law prevents us from giving much economic information. If we haven't been open, it is because of the stock exchange rules."

The management defends itself by invoking the act on general corporations. Although it does bring exigencies to the communication, it should be clearly explained to the personnel. At the moment, it seems that the communication is not clear enough.

Employee, local level:
"Too many things and plans are not told. All too easily they appeal to stock-ethical reasons."

Employee, local level:
"Of course there are laws and rules, but it doesn't forbid giving information to the personnel."

Employee, local level:
"Professional secrecy is one thing and cover-up is another..."

Employee, local level:
 "Openness is more open at group level than here."

In the head office the opinions about the values, especially on "openness", seem to be more favorable than in the local unit. This has a great deal to do with the unit's history: the local unit

used to be "one big happy family" where communication was open, but currently the stock rules restrict the flow of information.

Employee, head office:

"In my opinion, we try to be open here. As open as possible in an exchange-listed company."

At the local level, the resistance towards "openness" is high. Maybe "openness" as a value for an exchange-listed company is not very suitable (because of the stock rules etc.) Since the local company used to be a small family company, people were used to getting all the information they needed. At present, when the stock rules etc. limit the given information, employees at the local level feel frustrated. The confrontation between the head office and the local level is clear:

Employee, local level:

"After going to the stock market it is just cold business."

5.3.2 Company B: Cooperation and Locality

Company B is a cooperative bank. The head office is in Helsinki, and the local banks are quite independent in their own areas. The bank has a strong, traditional culture dating back 100 years. The local bank applies the same values as the head office, although they have processed values locally with the personnel. Thus the personnel's opinions were also asked.

Manager, head office:

"Our bank group has defined its own values, which included all the banks.... Many local banks define their own values, they are independent companies. So, our group's values are often different from the local bank's values"

Manager, head office:

"Our local banks have their own emphasis on values... Still, in the end the values are similar because of our bank's organizational form."

Employee, local level:

"The head office has given the framework for values, and we have processed them here at the local level."

The organizational form has a significant effect on the value process, especially in a cooperative company. The history and traditions are present and have a great influence on the value process, as can be seen from the quotations above. The "given" values from the head office are supporting actors in the background, but local units have the right to tailor them to suit themselves.

Manager, head office:

"One of the basic thoughts is respect towards our common history and traditions. Our bank's roots...Our values come from our traditions, for example the value "group cohesion". It is strongly tied to our history."

Cohesion is important inside the bank group, and respect towards history is seen to be very important. It helps to maintain a common value basis throughout the bank group.

Employee, head office:

"Our bank's value process is different compared to other companies since we have this group thinking. Yet every local bank is independent."

Locality is naturally a very important factor in the bank because of the cooperative organizational form. The differences compared to its competitors are clear: the group supports local units when needed, but also gives them leeway to function independently:

Employee, local level:

"The locality of the bank greatly affects the decision making. We don't have to send proposals to the other side of Finland..."

Manager, head office:

"There has been discussion about group cohesion as a value… Is it really a value since it is part of a cooperative company structure?"

"Group cohesion" as a value triggered some discussion. Since the cooperative organizational form requires group cohesion (and vice versa), as a value it is seen to be too self-evident. Maybe some other value (as an objective) could replace it?

Manager, head office:

"It comes from the cooperative organization form, we have membership as a value."

Manager, local level:

"One of the cooperative principles is to act in the benefit of the customers and the owners/members."

The cooperative organization form seems to be "easier" when values are implemented. The cooperative companies have a "history of values" already, so processing "new" values seems to be easier than e.g. in the exchange-listed Company A. The cooperative value basis makes the value processing easier:

Manager, head office:

"The values easily fit with our group, our culture, our traditional group structure…"

Employee, local level:

"It comes (values) from our bank's history, they have just revised it a little bit."

Employee, local level:

"They (the management) have told us the leading principles of the cooperative system, and what it all means here at the local level."

Cooperation gives local units freedom of operation, but the demand for efficiency is also present in the bank (despite the "softer" way of operating). Although the cooperative form brings some advantages, the modern profit-making culture has reached the bank, as well. Profit has to be made all the time:

Manager, head office:

"We live from one profit and loss account to another, we have to make good profit in every quarter. In a cooperative company it isn't so strong, like in exchange-listed companies, but we have that culture too…"

Manager, in the process

"This bank group has to succeed. It has to be permanent, one or two years success and then selling the bank is not the case in our bank. This bank has planned to achieve success for the next 100 years, too."

Despite the obvious pressures of profit and income, the history and mentality of the bank create the feeling of persistency.

5.3.3 Company C : Local Well-being

Company C is also a cooperative company. The head office is in Helsinki, and the local markets are quite independent in their own areas. The market has a cooperative history similar to the bank (Company B). These two companies are both cooperative and have a long history. The local market has made its own values in addition to the official values given from the head office.

Manager, head office:

"First there was discussion about values, and then they created the company; so the company was built on top of the values. Not the opposite, first a company and then values. That was the main idea."

The main idea behind the value process was to build a company on top of the values, not the opposite (which is quite common in value processing today).

Top manager, head office:

"The main business idea in our market group is to produce service and benefits to our customer-owners. It has been the main idea for over 100 years. The first ethical principles were made in 1800`s . We are Finnish, we are local, we are cooperative, we make our decisions close to the customers."

The history and cooperation are strong forces in the market company, as well. The group's operation has been based on values from the beginning, and it facilitates "new" value processing.

Top manager, local level:

"There can't be similar values at the local level (like in the head office). Finland is geographically so varying, and the value basis depends on the life span of the local market."

Local independence is seen as extremely important in the market company. Especially at the local level the local aspect is strongly emphasized. When the local unit succeeds, it benefits the local people. The interest is mutual:

Top manager, local level:

"We are cooperative and local: 60% of the people here are owners. This is very different from a limited company. Every financial profit stays here, in the province. Maximizing the profit isn't the main idea, like in exchange-listed or limited companies. "

Employee, local level:

"Due to the group strategy, our local market takes care of the province by offering services. I think this strategy is near the traditional Finnish value basis."

Employee, local level:

"Every penny stays in the province. It's a benefit to all of us."

The traditional ethical basis helps the value processing and the business: the "softer" way of operating (like in the bank) in business. Profit stays in the province; there are no unknown stock owners who demand results. The profit has to be made, but the way of making it is seen as relaxed:

Employee, local level:
"It isn't so "cold blooded" (here), that only the cold business would matter…"

5.3.4 Conclusions about the Effect of the Organizational Form

The organizational form matters, especially when comparing the exchange-listed company (forest company) and the cooperative companies (bank and market). The exchange-listed Company A has to follow the stock rules etc., so the employees cannot be informed of everything. At the local level, this creates resistance since the company has been a small family firm, where communication was open and clear. In the cooperative companies, the "history of cooperation" is strongly present, and the traditions are respected; in a way values are easier to process.

 To conclude the effect of the organizational form:

1) The organizational form matters in all three companies

2) The stock exchange-listed case company has great responsibilities due to its publicity: e.g. openness as a value vs. the rules and laws in the exchange business

3) The cooperative companies have more "history of values" because of their organizational form and locality: new values are easier to disseminate

In Company A, the history has a strong impact on the perceptions of the organizational form. The company has changed from a family company to an international corporation. The top and middle management emphasize the stock rules etc. as the main reason for the claimed lack of information. The employees claim there is no clear information or communication in the organization, and that the managers always "hide" behind the stock rules. Especially the value "openness" is criticized at the employee level.

In Company B, the cooperation is very important. It brings a strong historical aspect into the company, at all hierarchical levels. Both managers and employees emphasize the cooperation and the customer orientation. In a way, the cooperational history makes the value basis easier to accomplish.

In Company C, the cooperation is also emphasized in all levels. Especially local independence is important. Top managers emphasize the role of local owners, and also the employees know that the locality, "the money stays here in the province", is one of the major elements of the company's success.

5.4 Organizational Culture and Management's Role

In this section I will present my empirical findings of the management's role in value processing. Managers have a central role in shaping the organizational culture, which is why both culture and management are studied in this section. In the empirical questionnaire, the organizational culture is not directly mentioned but since values and organizational culture are interrelated, the comments about organizational culture are further studied. In the empirical findings, the role of organizational culture is emphasized, as will be introduced in this section.

Managers and leaders are not strictly separated in this study. Instead, they are handled quite similarly. This is because the aim is to get more information about value management in organizations, not the distinction between manager and leader. Every individual who has subordinates is important in the value dissemination process. The very first challenge any leader of an organization faces 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). In the empirical part, interviewees are divided into "top managers", "managers", "employees" and "in the process" people. The subcultural view that e.g. work groups should be considered is abandoned. The most important reason for this was that absolute anonymity was guaranteed to the interviewees.

Organizational culture and company values are constantly affecting each other. They can not be separated into two different issues. In this study, value management and organizational culture are treated together. I came to this decision because the empirical findings in this study support it. In the interviews, the management and organizational culture constantly emerged; they are interconnected when value processing is concerned. The manager's example in creating a value-based culture emerged in many ways from the empirical data, so I will not separate them in reporting the findings.

The role of managers in the implementation of a value process is vital, but when the success of a value process is evaluated, the "truth" more often comes from the mouth of so-called ordinary employees. The values, rules and norms that define an organization's ethical position are part of the organization's culture. The behavior of managers strongly influences the organizational culture. An ethical culture is most likely to emerge if the top management is ethical. (Jones 2001, 157) As said before, transformal leaders deeply penetrate the soul and psyche of others (employees) (Hatch 1997).

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).

5.4.1 Company A: Management as an Example, Employees Following

Leaders identify appropriate and inappropriate conduct, and they convey their expectations to employees through codes of ethics and values. Ethical conduct is influenced by our environment. At work the settings, managers, and the entire cultural context are an important source for 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. The words "products" and "profits" join with words such as "meaning" and "values". (Viitala 2003, www.web6.epnet.com/citation.asp)

Manager, head office:

"It depends very much on the local top management, on the organizational culture and on the willingness to receive these kinds 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, 3) The local management has a central role in value processing. If the local management is not committed to working with values, the values have no real value or effect on actions.

Manager, local level:

"I believe in leadership, in real leadership with a capital L. It is through this leadership that the values can be processed, not through orders. By being a manager, by being an example."

Managers set an example. Value management means that the superiors find the ways and means, which follow or pay attention to as many persons' values as possible. (www.kehitystaito.com/arvojohtaminen) Transformal leadership and exemplariness are needed.

Employee, local level:

"Managers set an example with their own behavior."

Employee, local level:

"It is the management with its own example that creates certain ways to behave."

Manager, local level:

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

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) The managers' own behavior of managers is the best way to attain desired behavior in the organization. This brings great challenges to management:

Manager, local level:

"Managers have a big role in this... How they behave, what they emphasize... They can't just go and give orders on how people in the factory should behave... It all starts from the top, by setting an example. You can't say something 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 thing, something good. And it motivates people. When people are motivated, satisfied and happy etc., it creates more good for everyone."

The motivation of people is seen as very important when values are processed. According to Crane & Matten (2004), management and organizational studies literature has effectively demonstrated that the deliberate management of culture is a difficult, lengthy process, which is rarely successful expect 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 behavior. The existing cultural beliefs and values about what is right or wrong tend to be very resistant to change. The management's task is to make the culture responsive to values (by their own example):

Manager, local level:

"We have different organizational cultures here, it's very difficult... But it is the management's job to find a way to make things work."

According to Bennis and Nanus (1986, 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" (Ibid).

Manager, local level:

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

An organization has to have a goal and boundaries within which to achieve its goal. Organizations need certain principles for every action. The management has a special responsibility in solving the goals and principles. Solving does not mean dictating but learning together: discussions, negotiations and agreements. Agreements of the values which direct all the actions. With value management the future will be secure. (www.paideia.fi/frames/arvojohtaminen2)

Manager, local level:

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

An 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) Management's individual values affect the organizational value processing greatly because they are the key people in all actions concerning the organization. The employee's responsibilities should also be emphasized: they have to be open to values so that values can really be implemented in the organization.

In the head office, people say that values truly have an effect on decision-making, and they also give examples of this:

Top manager, head office:

"We are starting to consider this (values) more and more, e.g. when appointing people, it means that their behavior matters, not just their competencies and productivity. It (values)really affects appointments. I have e.g. fired one top manager because he didn't act according to our values, he wasn't suitable for our company."

Employee, head office:

"I know that in this company the very top management has made big decisions based on values."

Values in organizational 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). Innovativeness and creative behavior cannot be ordered, only supported:

Employee, head office:

"This way we can succeed. If we let the people here flourish and work independently, use their own brains, in the end it will show on the bottom line (in the income statement) that we are also successful"

5.4.2 Company B: Values Are Everybody's Responsibility

The values held by the members of an organization determine the organizational culture, which according to Simmerly (1987, 15) is the most powerful internal force affecting any organization. Simmerly maintains that "organizational culture defines expectations about behaviour, how work is done, how decisions are made, how social interactions are structured and how people communicate". Safrit argues (1990) that before any organization begins to plan strategically for change within the organization, the organizational values held by its members must be identified, clarified and validated (Seevers 2000, 71).

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 supervisors have to set an example first."

Managers are the primary designers in the personnel's well-being and value processes. The need for an example is great.

Employee, head office:

"In our bank, managers have been briefed so that they can help and support the personnel, and give opportunities for education. Both within and outside the workplace."

The top management's individual values greatly affect the organizational value processing because they are the key people in all strategic actions concerning the organization. The managers are supported by the company.

Manager, local level:

"Well.. I thank God that my personal values and this company's values are quite close to each other.. It creates a kind of harmony...I have been here for 15 years and I've never had to try to be someone else, that is what's important."

The managers realize the need for a balance between individual, professional and organizational values. They all have to be in harmony in order to positively affect the company when official values are processed.

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."

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 a

competitive advantage. The machinery nowadays is similar for all companies; the main thing is committed personnel as the intellectual capital.

Values are also seen as too soft, such as the well-being of the personnel. Everything should be justified by calculations:

Manager, head office:

"As a manager I sometimes feel that... since these personnel issues are more like "soft" issues, it may just feel like nonsense when speaking about personnel well-being and competence etc... But to the people who have really realized the connection between welfare and profit, it isn't nonsense."

Employee, local level:

"The general manager's role is huge in this (value process). He has been a great example and has taken a strong role in leading the value discussion here. Sometimes it even feels like too much, like "hey, we already know this". As a person, he really operates according to the values, sets an example."

Employee, local level:

"Almost every meeting is started (by the general manager) *by showing the values slide. It strongly reflects the ambition to strive for value-based behavior."*

Many cultural values derive from the personality and beliefs of the founder and the top management and are in a sense out of the hands of organization (Jones 2001, 140). This is correct when dealing with companies with strong binds to founders and managers. Their values and image affect the organization. This is the case with Microsoft and Bill Gates: Gates is said to be 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 towards Microsoft as he has. The cultural values are out of the organization's control because they are based on Bill Gates' values. (Jones 2001, 140)

Manager, local level:

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

Employee, local level:

"The general manager is an example to us."

Employee, local level:

"It is the basis for a professional company like this (the personnel as the most important resource). The personnel is important intellectual capital, it's the basis."

The connection between the well-being of personnel and value-based actions is clearly recognizable in the interviews. However, there is an emphasis on the individual's own responsibility in education and development: no manager can learn on behalf of the employees, the willingness of the employees to learn and develop themselves is their own responsibility.

Manager, local level:

"We do appreciate people who want to develop themselves here. Someone might feel that he/she isn't appreciated even he/she has worked here for 20 years... And hasn't taken part in any training course offered by the employer..."

Employee, local level:

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

The internal/external values are important. The values inside the organization reflect on the customers outside the company. They have to be in balance.

5.4.3 Company C: Management's Commitment First

"Leadership is a mystery. Is leadership an innate inclination or the product of education? Which criterion leads to selecting the best possible leaders? Is leadership a skill or a question of pure luck?" (Kasanen 2001, 10). Leadership as such is already a 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 support the values... Of course it depends on the person... "

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

Top manager, local level:

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

In Company C, the example that managers set is seen as very important. 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 understand how company-wide values affect employee performance. Values efficiently internalized by personnel are the source from which leadership springs. (Peters-Austin 1989, 377-378)

Employee, local level:

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

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 exactly: 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:

"Being an example, I think it is a huge role, kind of an ethical question. How the manager acts, how a supervisor acts, how he makes decisions, how he deals with conflicts etc. When talking about a manager's or a supervisor's work, it is constant work to benefit oneself, the company and personnel."

The management culture is seen as a crucial factor in value processing. 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 organization. (Kramer & Tyler 1995, 19) Values are one of the most crucial determinants in defining organizational strategy. Transformal leadership is one key to value dissemination: a leader who "deeply penetrates the soul and psyche" (Crainer & Dearlove 2001, 552)

Top manager, local level:

"Top management has to take responsibility for the personnel and their well-being. Tools for management are related to this, and values are related to the tools."

Since the management has the greatest prerequisites in value processing, they have to be responsible for themselves as well as their employees.

Top manager, local level:

"We were almost bankrupt. We had the option to merger or to start to achieve success. We had to change our leadership culture completely."

The economic situation was also difficult in Company C, and it had to respond to it by making major changes in the management culture. The values were seen as one solution to this.

Top manager, local level:

"We have this practice... Whenever major changes occur, like changes in the strategy or values, I go to talk to the personnel. I talk about the issues to them, to the whole personnel in several meetings... It's all about the management's behavior."

The communication and information dissemination to the personnel is extremely important. When employees know about their organization's actions, they feel more secure since they do not have to "guess what is going on" in their companies. As can be seen from the quotation above, information is valued highly in the company.

Top manager, local level:

"If the management spoil things, if the supervisor spoils things, by their own example... Values are tools for management, for managerial behavior."

Values are seen as management tools, which demand a good example set by the management. It is common rhetoric amongst a number of serious academics that hierarchy in organizations is a factor inhibiting creative, flexible, effective etc. performance. Tall hierarchies are supposed to foster tight supervision with narrow spans of command and they are also alleged to clog and contaminate the communication channels. (Chakraborty 1991, 188)

Manager, head office:

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

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

explain what kind of behavior is desirable in the company. After that, they are entitled to demand employees to act according to the common values.

Manager, head office:

"The role of the supervisors is essentially important; if they don't act according to the values, it's no use hoping that the organization would do so."

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 organizational culture (Jones 1991, 366-395). Ethical values and rules are an inseparable part of an organization's culture because they help to shape the values that members use to manage situations and make decisions. (Jones 2001, 141) In organizations there must be a high degree of overlapping and consistency between individual and corporate values. (Salopek 2002)

Manager, head office:

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

The top management's role and responsibility are strongly emphasized in Company C. They have to be the first to set an example before processing values further in the organization.

Employee, local level:

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

Values are heavily integrated into many other facets of people's personality and behavior (Griseri 1998, 9). They are personal and intricate. Every individual has his or her own opinion about what values "really" are, as was presented earlier in this study. The need for a common understanding of each organizational value exists:

Employee, local level:

"If the top management follows the values, it spreads 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 emphasized in Company C, as well. The general manager is seen as the personification of organizational values: he is said to be both demanding and fair towards the personnel:

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 always rewards employees when things go right."

Cultural values are important facilitators of mutual adjustment in organizations. Cultural values can smooth out interactions among an organization's members. People who share the organization's values may identify strongly with the organization (Etzioni 1988). This includes commitment and feeling proud of being a part of the organization. Organizational and personal values do not necessarily have to be similar, but they have to be in balance with each other, to support and complement each other.

Employee, local level:

"In every company, there are people who direct others' actions for example based on their own values. It is the supervisor's job to find these persons, to find the leaders from the group."

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

Employee, local level:

"It can be said that in this value issue it is true that if the top management is like a traditional, authoritative "patron leader", the value basis is implemented naturally: they direct the company

based on their own values, which is different from today's professional leaders. If you think about the old-fashioned patron leader, the factory leader mentality; they had a strong value basis. People might say that it was an authoritative order-giving 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 expand, the "old patron" can no longer keep the whole orchestra in order."

The comment above is very interesting and value-wise. The historical aspect of value management is emphasized. Earlier, when companies were smaller and there was one "great leader", the values were personified in him very strongly. At present, when companies grow and merge, value management has to deal with much more complicated organizations. This is one reason why value processing seemed to fail at the local level in Company A. The change from a family company to a large international corporation was not easy.

5.4.4. The Supervisor in Value Processing

The supervisor level is an interesting aspect in value processing: they are said to be the bottle-neck for value implementation. This arises in many comments given in the interviews. Supervisors should set an example to their employees, but in practice it seems to be quite difficult.

Employee, local level (A):
"I think it depends a lot on the supervisor; what kind of example he sets for his employees, how he behaves."

Manager, head office (A):
"This whole process culminates to the supervisors. People feel that they can't take initiative if their supervisor doesn't support that kind of behavior. The supervisor is the bottleneck in many things. If he/she doesn't give the space to operate, the space really doesn't exist."

Supervisors are seen as the culmination of value processing. Even if the top management is committed to the values, the supervisor level's resistance can lead to great difficulties in value dissemination.

Manager, head office (A):

"If it is known that for example one supervisor has a high turnover of workers, he should be moved to another job or something... Of course these are difficult things, it is a matter of an individual's career and life..."

Manager, head office (A):

"Well... communication is difficult because... Usually the employees think that the supervisor knows much more than he really does. And in a big corporation like this it isn't necessarily like that. It can be that not even the supervisors know about things... The information just doesn't get around..."

The communication between the company and its supervisors is crucial. Supervisors need to know enough about things before forwarding the information to the employees. Still, the need for information seems to be overwhelming. One reason for this might be the pressure at the supervisor level to be the go-between connecting the management and the employees. Information is complicated.

Employee, local level (B):

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

Employee, local level (C):

"The supervisors have been educated according 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 based on values", you just tell the child what is right and what is wrong."

The supervisors' role is seen as crucial in value processing. They have had the education and training for processing values to the employee level. They are also often nearest to the customers, which affects the corporate image:

Employee, local level (C):
"The unit supervisors are nearest to the field (the customers), the feedback is reflected through them."

5.4.5 Conclusions about the Cultural and Managerial Effects

The management's role in value processing is crucial: they have to show the way, be an example and act in keeping with their words. The transformational, "feeling" leadership is needed when values are processed. Values are actually quite an intimate issue to people: something under the surface. When organizational values are processed, it has to be done with strong management and respect towards personnel.

In conclusion, the empirical findings in this section are the following:

1) The manager's role in shaping the value-based organizational culture is extremely important.

2) Managers set an important example to their employees: "do not do what I do, but do what I say" does not work anymore because

3) Managers have to act according to the values before demanding it from others and

4) Support employees and value-based behavior.

5) Transformational, "emotionally effective" leadership could be the key.

6) Managers, especially supervisors, need more information and support to cope with growing exigencies: this problem is further studied in the next section.

7) The history is always present: today's leaders are often compared to the patron leaders of yesterday: this brings even more challenges to the complex management of today.

When considering the different hierarchical groups in the case companies, the role of management and organizational culture can be concluded as follows: In Company A, the importance of management in value dissemination in seen as crucial at all hierarchical levels.

Managers are considered (or demanded) to set an example: they have to show how the other personnel should behave. The role of managers as examples is undeniable. The supervisors' role is also important: both the managers and employees admit that the feasibility of value process culminates in the supervisor level. If the supervisors do not live up to the values, the value process stops.

In Company B, the managerial and cultural effects are also widely recognized at all hierarchical levels. The local top managers see themselves as the most important examples who have to guide the other employees. Still, some managers complain about the "softness" of the values; it is not easy to disseminate them. Especially the role of the local top management is considered very crucial. However, the managers also emphasize the responsibility of all of the employees; every individual should work towards value-based practices. The supervisors' role is also important; they are nearest to the employees.

In Company C, the managerial and cultural roles are also recognized widely. The employee level demands value-based behavior from the management, but they also know that in the end it all depends on the individual: "of course it depends on the person". At the local level, the general manager is claimed to be the first and best to set an example: he lives up to the values, but demands the same kind of behavior also from the employees. The supervisors' role is also recognized, since they are closest to the customers on the market.

5.5 Problems in Value Processing

Even though problems in value processing are of concern throughout each part of the empirical findings, it is also important to handle them separately. The feasibility of the value process is essential and faces many problems. In this section, the main reasons for problems in value dissemination are taken into account.

There is a danger of value conflicts between individuals and groups within the organization (Brooks 1999, 28). Based on the empirical data it seems that the companies' personnel have varied experiences of values. Again, management and the treatment of personnel (respect for the

individual) emerged as significant factors. People want to feel like they matter and be informed about things concerning them and their organization.

As in all projects or strategies, control is an important factor. One of the top management's main responsibilities after starting the value process is to ensure that organizational members act in accordance with the defined values. According to Jones (2001, 142), in certain situations top managers can be held accountable for the conduct of their employees. One of the main ways in which top managers can ensure they will achieve desired organizational behavior is to create an organizational culture that instills ethical instrumental values so that members reflexively behave in an ethical manner.

5.5.1 Company A: Big Words, Opposite Deeds

According to the empirical data, it seems that the top management at the head office is really under contract to make the value process succeed. Of course there are different opinions about values, but in general it could be said that the interviewees at the head office have experienced the entire process quite positively, the opposite of the local level. Again, the family firm vs. international corporation comparison is evoked.

Employee, local level:
"The personnel's opinions haven't been asked, so these values haven't been created following the employees' views. They were carried out by the top management.…"

Without proper implementation, the value process has no basis. Values become values only after the companies become conscious of the key meaning of the process. At the local level (in the forest company) values seem to conflict with the "old good values" which were a part of the old family business. The new values are considered as buzzwords which do not translate into actions. This can be seen in many comments when analyzing interviews at the local level.

Employee, local level:

"This is a group of companies, so values are created in the head office and the local units are expected to follow them."

As indicated by the empirical data, it is obvious that people at all organizational levels want to be considered when important strategic decisions are made. Taking notice of employees generates commitment. Ignoring employees creates dissatisfaction and bitterness. When the personnel feels good, the company is successful. It seems that values have been processed very differently at the head office compared to the local level. Locally, employees feel that they have not had any say in the value definition, whereas at the head office employees feel they were taken into consideration.

Employee, local level:

"Top management just informed us that these are the values; here at the local level they weren't discussed at all. It was just stated that these kinds of values have been agreed on, no ifs and buts."

Employee, head office:

"Different local units took part (in the value processing) very differently. Some run smoothly, each and every employee joined the first value meeting and after six months they had a follow-up meeting and the values were really discussed. And I think that in some units nothing happened, values remained empty words in the annual reports... It definitely depends on the local management and the local culture: whether they are ready for and open to these kinds of things"

This could be what has happened in the local case company. The local mill once had its own, strong culture, which has weakened, in some opinions even disappeared, through the years and many mergers. Maybe the top management should have given the local level a little more independence through the value process:

Employee, head office:

"And the problems... I think it (the value process) should have been controlled somehow... After all, it was like a mere order from the very top, stating that everyone in our company should have a chance to discuss these values in their own groups.. The implementation should have been controlled. So it wouldn't have been in the local top management's power to say no, this is not for us... no way, we don't have the time..."

The most crucial problem seems to be the lack of control. This is a sword that cuts both ways. The head office managers want to act according to the values; be open and trust the local level. The local case company also wants to be independent (like in the past). But this poses some problems. The local level seems to take the value process as an order which they do not want to follow and the head office does not want to be too domineering.

Employee, local level:

"It's the world today... Before, we were really open, it was normal to talk about things, about work and so on. But nowadays people just want to stay still in their own place.."

Manager (local level):

"Last Friday one of our managers was sitting in his room next to the computer, shaking his head... complaints from the head office again, about information policy... Not good enough for them, they would have wanted to control all... So much about initiative.. Or our local budgeting process, never good enough, they think we can't make proper plans, they (in the head office) don't trust us, they think we just spend money without thinking..."

Trust between the head office and the local level seems to be weak. The difficulties in value dissemination are likely to be similar to everything that is issued as an "order" by the head office. The local mill used to be a family company, independent and strong. It is not easy to accept that those times are over. The old, independent organizational culture is still in people's minds. They miss the advantage of making their own, local decisions:

Manager (local level):

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

Manager (local level):

"I think that it is like... We had this "team spirit" here, and everybody seems to miss it... Like, where is it now... I think it's normal in many workplaces, there are small work communities with a feeling of pulling together, and when bigger groups emerge, it goes away... People experience that everything is being dominated, even though the things are normal and acceptable. Just like everything is being dictated from Brussels, for Finland"...

The mill was once part of an independent company which was managed by a patriarchal "father figure". The mill was an extremely important employer in the area. It practiced social responsibility widely: for example, it offered apartments, schools, day-care centers and health care services to its employees and their families. It used to be known for its strong organizational culture and community spirit. (Mattila 2000)

Employee (local level)*:*

"We have discussed the old "team spirit"... But I said that hey, that spirit requires that we all are in it together, so that the owner sits in his room (at the local mill) and we all are one big family. Now we have 100 000 owners, most of them are gray-haired old ladies in the USA...."

Employee, local level:

"We had a common spirit... Before here was the father and the family, the owner sat in his room here... It has all changed since we became an exchange-listed company."

The old company with its values is still strongly in the personnel's minds. Hierarchies in the family company were low, and the manager was attainable to the personnel. The "new" value process was issued as an order, which leads to resistance. People at the local level feel that their

independence is gone forever. The resistance toward changes is strong. People at all levels of the local organization feel that the head office controls too much.

Employee, local level:

"In my opinion, values were much better carried out about 10 years ago, when the 'official' values didn't even exist."

Employee, local level:

"This company had very good values, even without writing them down."

The two comments above present the resistance towards new, official values and longing for the old organizational culture. The values of the local mill were considered good, and the newly issued values were seen very negatively.

Manager (local level):

"Well... maybe it all happened too soon and without thinking about it enough... I don't know, but I got the idea that someone just invented them (values) and... 'there they are'...Then they suddenly realized that all the promotional slides had to be updated. Of course they believed that it wouldl work... Values have become more, like, visually, we see that these are the values etc. But not through actions, values haven't been disseminated like that."

The implementation and control of organizational values has been weak. Values just appeared from behind the corner. Ethical values can evolve as a deliberated process, after top management or other members of the organization have decided that values must been processed. Despite the way how the need for value processing has emerged, top management has first to be truly committed to the process. After that, total commitment can be required throughout the organization. In the empirical data it seems that the management at the local level was not ready for the "new" values, and they did not want to put any effort into value processing:

Employee, local level:

"It depends so much on the local unit... Some places take care of the initiation, it is done very well, in other places it's not done at all. Improvements should be made..."

Manager, local level:

"Values didn't come through the practice, I've even heard the opposite. That e.g. one of our values is openness, things here have gone in the opposite direction, there have been glances and secrecy"

The process from words to deeds has failed at the local level. Especially the historical background, with an open family-like atmosphere, collides with the new "openness" value. The communication has deteriorated at the local level, but the head office wants to promote the openness value:

Top manager, local level:

"The biggest conflict is in the openness... People understand it very differently and feel that we act against the values."

Top manager, local level:

"Even though those values have been issued, in my opinion they are not working yet. They are more like a wish, where we would like to go."

Employee, local level: *"I don't know about the value process... I wasn't in it. You can't say anything about the process from here (the local level).*

At the local level, there is a clear resistance to all organizational (official) values. They were just issued from the head office and not processed with the personnel. The personnel could not participate in the dissemination at all.

Employee, local level:

"In my opinion, this openness value… it is more open in the head office and at the group level than here."

Top manager, local level:

"New employees get the information about the values in their info package, like "here are our values, start believing in them." Values should come through practice, but they do not…"

The communication and information about values and value processing is extremely weak. It seems that in the head office, the value process has been accepted better than at the local level, where there seems to be resistance towards the "new" values. The company's history as a family company is still strongly present. In the head office, values were considered more positively, and problems at the local level were recognized:

Top manager, head office:

"When we were organizing these value seminars in the local factories, it was almost… it was almost a disaster… It felt like people were living in a value void. I really debated in my mind whether this society has somehow failed since this value discussion arouses so much controversy."

Employee, local level:

"I think that in the head office the enthusiasm towards this (value processing) is much bigger than here in the provinces. They have been processing it like they were thrilled about values, and here at the local level we have been watching it, stunned… Like, what is so new about them, these things have been self-evident over here…"

The "value void" of today arises in many interviews. Especially the older generation refers to it:

Manager, local level:

"Maybe the value basis (in the community) has been broken... New values have come which don't... The old value basis was good, the one that was taught in schools, parents took care of it... Nowadays it's all neglected and the situation in Finland is... catastrophic.

Employee, local level:

"I would say that nowadays some kind of a value debasement has occurred in the community. That all the old values have collapsed... The present upbringing and these EU issues have changed the people's attitudes, and values have changed."

The value void in the society is reflected onto the organizational value processes, as well. The "good old" values are replaced by new, efficiency-oriented values:

Manager, local level:

"The part where this value thing doesn't necessarily work... It is of the so-called middle management there, young managers... Who just want to make a fast profit without thinking too much."

Manager, local level:

"The words and deeds... Practice... It is not easy. For your information also... This is not easy."

Managers know and admit that value processing is difficult. Behavioral integrity is not easy to accomplish in Company A. Words and deeds do not meet, which makes the whole phenomenon less efficient. As mentioned earlier, behavioral integrity is the perceived pattern of alignment between an actor's words and deeds, and it entails both the perceived fit between espoused and enacted values, and perceived promise-keeping. (Simons 2002)

Many employees demand more "softer values", i.e. more humanistic values. This again refers to respect for the individual and personnel well-being. People want to matter (Ahonen 2001):

Employee, local level:

"These softer values should be more prominent... They speak about openness, trust and initiative, but those don't necessarily include all..."

The purposes of value processing are questioned. The "internal identity" vs. "external image" factors are in conflict.

Employee, local level:

"I think it's more like assuring the personnel or trying to improve the image... That we do listen to people here... But how the personnel is treated... The deeds in value processing are quite few."

Employee, local level:

"About the value processing... I've written here that we haven't paid much attention to the values... Unfortunately, it is written with a negative tone, we have processed them because we were told to, but we haven't internalized them. As if we would like to live by values which have been formed by others..."

Value dissemination by giving orders is not the solution to this kind of process. People want to take part in new things if they have enough information and the chance to voice their opinions.

Employee, local level:

"In what stage of processing are we with values? That`s a good question since we don't even know where we are going..."

Employee, local level:

"No way, I do not agree that the values are part of our company practices... There are so many issues that contradict it."

The process itself seems to be arranged very poorly at the local level. Because of the local mill's old history and organizational culture, the process should have been implemented carefully.

According to the empirical findings, the value dissemination was just a momentary futility, which never obtained the employees' respect.

Employee, local level:

"These values were issued to us from above. The top manager spoke on a video and we watched... I thought that we were like an American sect... that people say hallelujah and pass out...It's not what life is about."

Values are even referred to as sectarianism; the top leaders are seen as "secratian leaders" who declare the values, and everybody should follow them.

Employee, local level:

"The processing has been like ON or OFF. That we haven't processed the values step by step... First they were not respected at all, and now suddenly there has been a total turn-around. It doesn't seem credible."

The credibility of the whole value process is considered weak. At first, the values were just a fad, but suddenly, they were emphasized loudly by the management. In some interviews, employees even claimed that this value study was one reason for this "awakening".

Employee, local level:

"It feels that as long as everything goes well these values are easy to apply to practice... But as soon as there are problems, it becomes much harder to follow them..."

Employee, local level:

"The word values makes it... Somehow clumsy and too lofty... Maybe "our way of working" would be better..."

Also as a word, values seem to be difficult to understand. People experience it as being too lofty and sophisticated. This, again, refers to value management and the lack of communication in the organization. It is also claimed that values are published only to boost the company image:

Employee, local level:

"It (values) seems to be more like polishing the image for the customers and outside the company."

Employee, local level:

"Nothing should be declared for certain here."

The implementation of values has failed. The dissemination does not work by issuing orders. Instead, people want to hear the rationale behind it and an explanation as to why values are needed:

Employee, local level:

"How values are disseminated… People are not willing to read brochures… I think that it would be much more efficient if the value master No 1 from Helsinki would come here to the local factory and tell us what it's all about."

The fact that values have been defined in the head office provokes great criticism at the local level. Local employees feel disrespected since they have no voice in the matter concerning values.

Employee, local level:

"It won't (the value processing) succeed through the intranet… someone from the head office should come and tell us how it works and why"

Manager, local level:

"In a way the words and deeds are in conflict."

Manager, local level:

"Nobody denies that the values are a good thing, but the feedback from a large number of people indicates that the values don't work in practice."

The contradiction between official values and real practice is significant at the local level. This creates more and more frustration and dissatisfaction towards the values and the management. Values as such are seen in a positive light, but at the organizational level they are useless.

Employee, local level:

"It is no use processing values if they're not followed in practice…"

Employee, local level:

"It is so obvious today that the superiors don't… The middle managers don't commit to these values, only the top management does… It is very difficult to process them to the grass-root level."

The problem at the supervisor level comes up in the interviews. The role of supervisors as the bottle-neck for change is clear. If the supervisors are not committed to the values, the process in the organization remains ineffective.

Employee, local level:

"The supervisors should let their people take initiative… not just say 'no' to every proposal…"

The level of information is low in the eyes of the local employees. History also has its effect: there has been a major change from a family company to an international PLC. This change has not been easy to process.

Employee, local level:

"Communication has been our stumbling block in many issues…"

Employee, local level:

"There are too many issues and plans that are not told (to the personnel). And they (management) appeal to the stock-exchange rules too easily, saying that they can't give us information."

The trust in the local unit is seen as weak. Even though stock exchange rules etc. limit granting access to information, employees think management hides too much behind the rules. They are seen as an excuse for withholding information:

Employee, local level:

"To the trust and distrust... Of course there are these laws and orders which limit what can be told... But it doesn't forbid telling the personnel... I think so."

Employee, local level:

"Unfortunately, today people speak only about fixed costs... Personnel is a fixed cost..."

The employees complain about the lack of respect. The atmosphere in the local unit seems to be lousy:

Employee, local level:

"These opinion polls... They have all been lousy... The interpersonal relationships are so bad here at the moment..."

As mentioned earlier, the value "openness" seems to be the most difficult to understand at the local level. Once again, history plays a role.

Employee, local level:

"This openness... We read from the intranet that someone has been hired to work here... I think it's insulting towards us (the HRM people) that nobody informs us about these things."

Employee, local level:

"Here is the old way of informing... That they inform us very little about anything..."

The comment above is interesting considering the strong desire for "the good old family firm times" in the majority of interviews. If things were better then, why does this employee claim that today, the OLD way of informing (the negative way) has the power? Maybe the individual's

own responsibility (despite the hierarchical level) should also be considered through the whole organization. It is not always the company's or the management's fault if information does not reach the personnel. The personnel policy in the local unit, as a whole, is seen in a negative light:

Employee, local level:
"Today the personnel policy is like this... The person who is going to be transferred to another job is the last one to get the information about the transfer..."

Employee, local level:
"The personnel feel that they are not respected, since there are personnel cut-backs all the time."

This comment seems to express the common feeling at the local level. The defined values are good, the whole personnel agrees on it. However, the local personnel should have been respected and informed better. The personnel should also demand more action and information about processing values. At the moment, it seems that nobody really cares about values. Even top managers feel that values were just the "latest craze" without a solid basis:

Top manager, local level:
"The reason for starting the values process.... Well, I think it was just the latest craze."

The conflict between the local level and the head office is obvious. People experience values very differently. Common values cannot be processed without common viewpoints; deeds are needed. Companies have to work to get people to understand and get accustomed to the values.

5.5.2 Company B: Lack of Control (and Time)

In the bank, values are appreciated, but they are still perceived somehow as "something out of the ordinary":

Manager, head office:

"We don't have values as the basic foundation for our actions... They are not included in every meeting or in development discussions or group meetings. Our values need quite a deal of improvement... So that they would be included in our everyday life. Values have been left half-finished, they are not processed from words to deeds."

The lack of control is often an obstacle in organizational processes. This is also seen in Company B. Values are created and maybe processed, but the lack of control undoes the good intentions.

Manager, head office:

"Too often the process ends in defining the values..."

Manager, head office:

"In my opinion, we haven't had a value discussion here... in the autumn there were discussions that we should have had already..."

The lack of control often results from the lack of time: if something is wanted done well in the organization, it takes time and effort from the management (Viitala 2003). In the bank, the intentions to control the value feedback were good, but the lack of time made it difficult:

Manager, in the process:

"The problem is of course that the more the personnel participates, the more time it takes. The big problem is always the dissemination, how to make things live in the daily grind."

Manager, local level:

"We should work with these (values) more, we haven't had enough time to process them."

Employee, local level:

"Efficiency is there all the time... It takes space from the humanity."

The need for profit takes time from value processing. It is obvious that profit comes first, but it could be even better if the "softer" issues could assist.

Employee, local level:

"They have tried to find values, which can be accepted in this kind of heterogeneous organization. That's why values are sort of flat; there are no sharp edges..."

Values are seen as quite flat in the bank. The lack of communication among employees is evident. Values are not processed enough, they are distant to people. People understand them differently since management has failed to explain them clearly enough; what each value really means.

Employee, head office:

"Most people here experience values as distant... they haven't even thought about them."

Manager, in the process:

"The problem is that everybody doesn't understand things similarly... It`s a big shame if the lay people involved can`t understand why values etc. are processed."

Values are also seen as a fad: companies just define values because all the others do it, as well:

Employee, local level:

"I'm a little bit afraid that values have become a craze... that everybody is creating values now. They make slogans and similar formulations, and in the end, nobody knows what the values really mean."

Manager, head office:

"I get the feeling that here in the head office we somehowhave harder values... in local banks they are softer. Partly it's because at the local level personnel is working with the customers all the time, with people....We are here on our own, planning things... We appreciate kind of harder

issues, at the local level they see that with human factors you get a good profit in the long run. Here I feel that I should always be able to back up my ideas for HRM with a calculator…"

Employees also prefer the "internal" values: at the moment they feel the values are too customer-oriented:

Employee, local level:
"Sometimes I've thought that we should have some sort of internal values also, like how the company treats the personnel and what important issues are emphasized. Sometimes it feels that we are only tools in value processing… It isn't incorporated into the internal values, what they would be… whether people feel good and whether they manage. Improvements should be made…"

Employee, local level:
"I think everybody knows our values when asked, but how they perceive values in their own work is another thing altogether. I think values are more familiar at the supervisor level, but not so much at the clerical personnel level."

Employee, local level:
"Employees with fixed-term contracts… They make the same effort as permanent employees, but they are not respected in the same way."

The lack of information is mentioned in many interviews. When people do not know enough about values, they cannot be asked to behave accordingly:

Employee, local level:
"Information hasn't moved efficiently enough. That's what creates resistance to change. Values should have been discussed more with the people…"

Employee, local level:

"Of course problems arise, we are only human. Of course, getting used to new things takes time. But this problem is also part of learning."

The comment above reflects the individual's own responsibility in learning and adjusting to new things. Instead of blaming the management's poor communication etc. (as usual), the employees themselves should recognize they have duties as workers. They should commit to value processing, not just wait for everything to come automatically:

Employee, local level:

"I don't think values are considered in everyday work... I asked the others also and they had no thoughts on the matter... You can just find them on the intranet..."

Value processing demands an extensive amount of time. The contradiction between the employee generations is also mentioned:

Employee, local level:

"I think it takes about 10 years to internalize these values... You can see horrible examples behind the counter... when they (new, young employees) just don't understand what for example customer-orientation means..."

5.5.3 Company C: Efficiency vs. Individual

Company C is part of a cooperative market chain. The head office had generated common values for the whole chain, but the local company prepared its own, additional values. The common, national values lie behind them.

According to Morgan (1997, 129), the influence of a host culture is rarely uniform. Just as individuals in a culture can have different personalities even though having a great deal in common, so do groups and organizations. Organizations are like miniature societies; they have

their own distinctive patterns of culture and subculture. Values are always present, even without official definitions:

Manager, head office:
"There is always some kind of value basis in each company... Hidden values... We have sub-cultures, salesmen have their values, financial managers have their values..."

Employee, local level:
"We are increasing efficiency and profit etc... sometimes it happens that the individual is forgotten..."

The value "person as an individual" often suffers because profit comes first. In today's organizations, the exigencies of efficiency are constantly growing, and fast profit is desired. People have to deal with constant stress, and the value of personal well-being is ignored.

Employee, local level:
"Of course this efficiency issue... Because it is always the one that is striven towards... The value "person as an individual" suffers from that."

Values are understood very differently in Company C, as well. They are taken as solemn words, which have no real influence:

Employee, local level:
"In my opinion, an employee still feels that the values discussion is like... That you may talk about them, as long as you keep it serious..."

At the local level, there also seems to be a problem with the word "values". People experience it to be too lofty and distinct:

Employee, local level:

"I would hope that they could figure out another name for values, somehow people feel that it is a difficult term to understand..."

Naturally, the lack of information is not always the management's fault. In every organization there are "the" individuals who do not want anything new or unknown in their own work environment. They are against all changes, including value processing:

Manager, head office:

"It's a classic situation, one fourth is enthusiastic, one half follows from the sidelines and joins in later, and then there is the type who is opposed to everything, It's no use trying to coax them in. It's normal and you know it already when you are starting something new"

Employee, local level:

"Of course there are always people who don't want to know anything (about values)..."

Top manager, head office:

"Other people here think that values are important, others think that they're just a joke..."

The understanding of values is seen as contradictory. Some claim they are extremely important, while others see them as a fad.

It is obvious that values cannot successfully be disseminated without the management's commitment: the transformational role of leading the way. A real value discussion and a greater level of commitment start from functioning values. Values are real values only when they can be detected in the company's performance. Discussing and publishing values is useless if nothing is actually done. (Kotilehto 2001, 42) One difficult level according to the empirical findings is the supervisor level: the value dissemination often seems to stop at their level. The lack of trust might be one problem:

Top manager, local level:

"I would say that in general in all changes of management culture the supervisor level is the most difficult... The personnel learns quickly... they react and learn new things, but very often it is the supervisor level which plays their own games...There is this conservative management behavior stemming from their own position in the company. Behaving as if you aren't cleverer than your employees, it is a great danger and a threat... In my opinion, my employees have to be better than me, for example the marketing manager... He has to be better than me at his work, why would I need him if he wasn't...? I think that at the upper management levels people are already more mature and ready, but at the supervisor level it is... Somehow this thinking that they have to be more clever than their own employees, like hiding some information in their own desk drawer..."

This manager (quoted above) emphasizes the supervisor's responsibility in value processing. Since supervisors are situated between their own directors and subordinates, they are under special pressure e.g. in terms of communication. On the other hand, they want to receive information from their directors, but giving information downwards to the employees also means renouncing power. Knowledge is power, and supervisors seem to withhold it.

Manager, head office:

"I put the yellow light on immediately when the management states that these are our values and these values are the basis for our actions. It's no use starting it by arguing that...It's better to say that we should try to act according to these values. ...It won't work by giving orders. But in practice, that's how it's been done, employees haven't received information; supervisors just keep it to themselves and feel more important... It happens all the time everywhere."

The means of value processing are criticized in the quote above. The process should never start by issuing orders. Values have to be discussed throughout the organization, including all hierarchical levels.

Manager, head office:

"This is normal way of doing things: people are told what to do and how, etc. They just make it so unbelievably difficult in companies, they make simple things so complicated and then they wonder why it doesn't work... We have spoken to the people in their own language, and that's the best thing in this whole process."

The managers say that "simple things are made too difficult"; value processing, for example, is made too complicated in organizations. After all, it is mostly about the good informing and communication in the organization. Simplicity and clarity are needed instead of lofty and fancy words.

Employee, local level:

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

The example set by the top managers is considered important; especially the managing director is seen to be a value promoter. 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 commitment to high moral standards (Buller et al. 2000, 63).

5.5.4 Conclusions about the Problems in Value Processes

One of the main reasons for value process failures in the case organizations seems to be the lack of behavioral integrity, which (see e.g. Simons 2002) entails both the perceived fit between espoused and enacted values, and perceived promise-keeping. This words vs. deeds process seems to be one of the greatest problems in value process failures. The management's poor communication and setting an example are crucial factors, as well. The management's responsibility is to give enough comprehensible ("in plain language") information to employees, from the top management to the management and supervisor level, and to the grass-root level. The supervisor level also seemed be one bottle-neck in value processing. Supervisors (as well as

all managers) need good self-esteem: when they feel secure, they can inform their employees and make them feel secure about different issues, including value processing.

According to the empirical data, the problems in value processing can be concluded as follows:

1) Value processing is seen as useless: this stems from the

2) Lack of information, which reflects

3) The inadequacy of the organizational culture and management, which again is caused by

4) The lack of communication, which reflects

5) Disrespect towards the personnel and a lack of communication from the supervisors, which amounts to

6) A lack of motivation, trust and commitment, which are the cornerstones when personnel well-being is seen as the *sine qua non* for organizational success.

When considering the different hierarchical levels in the case companies, the conclusions are the following: In Company A the greatest problem seems to be the change from a family company to an exchange-listed company. The "good old times" are missed and the values given from the head office (in Helsinki) are seen as useless orders, without any real meaning. Because of this resistance towards the head office, values are taken negatively. Especially the employee level criticizes this "head-office orders". However, the local management also criticizes the power of the head office. Maybe this is why the values are seen so negatively in Company A. If even the top managers at the local level claim values to be "the latest craze", what can be expected from the employee level? People in the head office admit this and know that the process has been implemented very differently in the provinces. Employees at the local level think the same: values are more welcome in the head office than at the local level, where the good old times with the good old values are missed. According to them, values are not applied in practice, nor through the supervisors or the management. There are some top and middle managers who would like to live up to the values, but they feel they have no chance for it. The top managers blame the supervisors who again blame the employee level, who are frustrated to make any efforts to truly implement the values. Values are just empty words, given as an order by the head office.

In Company B, the top managers admit the lack of control and time in the value implementation. The process has not been controlled enough. Values have been defined, but not processed sufficiently, according to the management. The employee level complains about the demands for efficiency: e.g. humanity as a value suffers from the constant hurry. One of the greatest problems (again) is the understanding: people understand values differently, so there is much to do if the bank wants everybody to be committed to the common values. The employee level also criticizes the lack of "internal" values: the current official values are too customer-oriented, and the employees would like to have their "own" values (way to behave) also. The employees refer also to respect, especially with regard to fixed-term employees. They make the same effort for the company as the permanent workers, but are not respected similarly. Still, some individuals at the employee level recognize their own responsibility, as well: getting used to new developments takes time, and it is one part of the learning process. The new (young) employees are also criticized at the employee level: it is claimed that the younger generation has lost its values. A connection can be seen between the "value void" and the fixed-term positions; when younger employees are hired for a fixed term, their commitment (to the company and the values) suffers. They do not feel that the bank is committed to them, so they do not feel the need to be totally committed to the bank (and its values), either. On the other hand, current part-time and fixed-term tasks are rationalized on the basis of economical pressures, but there is a clear contradiction between the "rational" and "emotional" arguments. Values are very much based on emotions, and if the company is not able to entice employees to commit to the values emotionally, the value process will not succeed in the desired way.

In Company C, the management level recognizes the problem of hidden values: there are always some other values affecting in the background, even though the official values have been disseminated. The two opposite opinions among the personnel are clear to the management: some people think values are useless, others think they are important. The top management also refers to the supervisor level: the supervisors often keep information from their employees, which means values are not disseminated properly. The top managers say that the personnel learns quickly, but the problem is at the supervisor (middle management) level. The supervisor's role is crucial in Company C, as in all three case companies. The supervisors are situated between the top management and their own employees, so the pressure is huge. The trust between the top

management, middle management and employee level should be stronger in order to implement the values, so that the supervisors would feel they can e.g. forward information safely.

5.6 Returning to the Individual: Respect, Trust and Communication

According to Mahoney (1997), there certainly seems to be an impressive moral authority that human beings ought to be treated, and ought to treat each other, only in ways which will respect their inherent value and dignity. People want to be respected as valuable individuals (Ahonen 2001).

5.6.1 Company A: Let People Flourish

Manager, head office:
"People want to do the right thing, to do something good. And it motivates people. And when people are motivated and happy, it creates more and more good things to share."

This manager has faith in people's goodness in the work place, as well. When people are treated fairly and well, they become more motivated. In the long run this creates better results and also better profit:

Employee, head office:
"If we give people a chance to flourish and work independently, to use their own brains, in the end it shows on the bottom line (a good return)."

Employee, head office:
"There is so much information available nowadays, no one can control it, as if there were great wise man somewhere... The information must be shared and you have to trust that the people know how to use it."

Trust is interlinked with values. Nowadays, the amount of knowledge is vast and constantly increasing. Nobody can handle all the information, neither the managers nor the employees. That is why trust is needed, and values as a basis for actions make it easier to implement.

Employee, head office:

"In the background is the basic assumption that you trust that the person does his/her best... trust in people..."

Employee, local level:

"I think that it all culminates in trust."

Respect towards individuals is needed in organizations. It is also important to remember that individuals, as such, are already valuable, despite their task or position in the hierarchy. Even more importantly, one should realize that the respect should go through the entire organization: from the top to the workers and from the worker level to upper levels.

Manager, local level:

"Somebody buys a factory, another buys a pen, but they are both respected in the community, as persons."

5.6.2 Company B: Do to Others as You Would Have Them Do to You

Manager, local level: *"In my opinion, it's all about the human being. How a person thinks about other people."*

The higher the level of trust that management can generate, the greater the level of empowerment achieved. Interpersonal trust and optimism makes employees feel more committed and motivated towards the organization.

Manager, local level:

"To get the new roles and cooperation to work, the key concept is trust. The construction of trust so that the information is conveyed better... And it comes to values again..."

Employee, local level:

"We work really hard here, but on the other hand we have very good tools to manage here, we have a very good health system by our employer."

As in all of today's organizations, also in the bank the demand for efficiency is great. Still, the employees feel they have been given good tools to manage the challenges. Hard work is needed, but it is considered possible to deal with.

Employee, local level:

"Sometimes it feels like... When talking to employees with fixed-term contracts... they are not respected as they should. They make the same effort in their work as regular employees."

Respect towards part-time employees is seen as a problem. If they are respected as well as the regular employees, why do they not receive a permanent post? Naturally, this is again a matter of financing. It is unlikely that any company could afford to establish permanent posts for all its employees, especially in the service sector.

Respect means that you can work together in the same workplace, even though you are not necessarily your co-workers' best friend outside the workplace.

Employee, local level:

"Respect for other people... Respect means that you have to get along with everyone here."

5.6.3 Company C: Treat the People Well

Employee, local level:

"I have always thought that the treatment of the employees is the main thing which creates the spirit community and joy at work, and makes a profit."

The comment above expresses the basic idea of respect towards other people. If people are treated well, they become more motivated and want to contribute to their company's performance.

Top manager, local level:

"For example, if a person's opinion is not respected, it (values) is evoked straight away... Like "what about our company values, respect for the individual?" I think it is an awfully good situation. It puts pressure on the managers and supervisors, they have to start reacting."

Within the company, values are often referred to as positive issue. It pressures managers and supervisors to truly consider values in their everyday work.

Manager, head office:

"Every shopkeeper keeps their backyard clean; the values are a very simple issue: e.g. responsibility as a value."

When values are seen through one's own tasks and positions, the implementation is much easier. Values are considered as everyday practices, not just empty words.

Manager, head office:

"People speak willingly about real things, important things. If the work community handles them (the values) right, it arouses new ideas that these things are the ones we should discuss, and they are connected to our everyday work, joy in our work and interpersonal relationships in our workplace."

Joy in work is emphasized. The organization is seen as a place to achieve success through the well-being of personnel:

Employee, local level:

"Human beings – the employees – have an effect on everything. The management culture and philosophy…if it is constructed wrong, it destroys the image. The only way to succeed is to take care of our personnel. Every company can get the right physical surroundings, but the game is played through competitive personnel."

Manager, local level:

"Since they (the personnel) have been in the process, doing this themselves, the idea behind values is clear to them. The values are respected and people are committed to them."

The fact that the employees were able to participate in the value process (and definition) from the beginning makes them more committed to the company values. Participation creates commitment and motivation.

Employee, local level:

"Each and every great business strategy can be spoiled with disrespect for the personnel. If you don't give the personnel the respect they deserve, they will not follow the values in a service situation. You can't build success with service personnel only, but you can destroy the success through them (by disrespect). The service personnel can always manipulate the situation."

The comment above reflects the power of service personnel in value processing. If they do not feel respected by the management, they can easily undermine the values in customer service. This makes both employees and customers dissatisfied with the organization.

Employee, local level:

"We are the personification of our market, a living advertisement. It is extremely important to invest in personnel welfare."

Employee, local level:

"There is always discussion about the part-time employees... But the cold truth is that it's something that we nowadays can't do anything about. Still, we do take care of our people as well as we can."

As mentioned earlier for the bank company, part-time employees are seen as a problem in the market, as well. Employees seem to understand the economic reasons for it, even though they see it as an unfair practice. In spite of everything, rewarding and training employees is seen as a very positive issue:

Employee, local level:

"There are not many companies like this, which really reward and pay attention to the personnel."

Employee, local level:

"Internal recruitment is always strived for, if possible. And education is organized. Yes, the personnel is invested."

It is obvious that if people do not receive the rewards they feel entitled to, they are often motivated to do something about it. Some might become angry and work less efficiently, others might work even harder in hope of eventually obtaining what they want. (Cropanzano & Folger 1991, 131) According to the empirical data, it seems that neglecting rewarding for good work always makes people dissatisfied and less motivated (in all three companies). Of course, in a work of finite resources people sometimes take second place (e.g. to profit), but companies should still strive for the best allocations possible. (Ibid. 141)

Employee, local level:

"Our general manager emphasizes personnel well-being very strongly, and here is much discussion about the goal to have the right people in the right job."

The role of the general manager is seen as very important in value processing. He emphasizes well-being throughout the whole organization, and gives information to those who want it. Naturally, there is resistance towards changes also in the market company:

Employee, local level:

"There are many meetings for the personnel, communication proceeds well. Of course, there are always people who don't even want to know, no matter how much is informed."

Employee, local level:

"The values are present in our actions, although it sometimes feels that in this hurry we just perform, perform and perform."

Values can be seen in company practices, although the hurry and demand for efficiency are undeniable. It is considered important that values be discussed in the company:

Employee, local level:

"In my opinion, it is important that these things (values) are discussed."

Interpersonal respect is seen as the most crucial factor in value processing:

Employee, local level:

"It always has to be kept in mind that another person is another person. The honesty…"

5.6.4. Conclusions about Respect

The simple fact is that people want to be informed and respected. The main difference between a human being and an animal is that a human being wants to be acknowledged as a person, as a valuable self-being; as a creature, which has his or her own value and meaning – also in the world of work (Ahonen 2001). Ahonen maintains that it is easy to see that one of the most important catalysts of human activity is the need for recognition. When people feel appreciation

in their organization, they become motivated, committed and efficient: this is a win/win situation for both the employer and the employee.

In all three case companies, at all hierarchical levels, respect towards the individual is emphasized. The top management, the middle management and the employees maintain that respect towards each other is essential: "how a person thinks about other people". This leads to emotions, which are essential when values (individual or organizational) are handled. Values are inside individuals' minds, which makes it challenging to implement them in organizations.

Considering the value process and its improvement in the case companies and at different hierarchical levels, the following things arise: In Company A, the managers emphasize the need for trust. The employee level criticizes the openness and the communication: they claim the openness as a value does not work, and that the communication from the management to the employees is weak. Openness as a value for an exchange-listed company can be questioned. There are always the stock exchange rules etc. that limit access to information; this is seen problematic at all hierarchical levels. Also the "value masters" were demanded to come forward, so that values could be processed properly, not just through the intranet.

In Company B, both the managers and the employees emphasize the participation and commitment of the personnel: without good communication and participation the personnel will not commit to the organizational values. The management emphasized the commitment, and the employees demanded for an explanation: why values are processed, why they are needed etc.

In Company C, the participation of personnel is seen as important, among the top management, middle management and the employees. The employee level criticizes that values should be applied in practice, not just "posted on the wall". This is recognized also by the management level. The middle management (supervisors) themselves mentioned their responsibility in the issue; they are between the top management and the employee level. Both the top management and the employees emphasize the participation of personnel: when people are involved in the value process, it creates more commitment.

Nevertheless, I want to emphasize that respect towards individuals is important in all hierarchical levels of an organization, and in all directions. The management/ organization are often blamed for disrespecting workers; we should not forget that the top managers, managers and supervisors are also individual human beings. Since they have more power than "ordinary employees", they are easily seen as "garbage cans" which cause all of the bad that occurs inside the organization. It is much easier for people to see the blame in others, not in themselves. Respect towards the individual does not mean that "our organization should give us respect", it also means that the organization (and management) needs to be respected. When values are processed, the implementation demands efforts from the entire personnel. The management's role is clearly significant, but the employees also have their own responsibilities when new ideas are elicited. The basic mindset of being opposed to all that is new in organizations is a problem which needs to be solved. A shared, real value basis could be one solution to this.

5.7 What Could Be Done Better: Suggestions for Value Processing and Its Feasibility

In this section, improvements to make value processing easier are introduced through the empirical findings.

5.7.1 Company A: "Value Masters" on the Stage

Employee, local level:
"It (the value processing) won't succeed through the intranet... someone from the head office should come and tell us how it works and why... In my opinion, it would be much more efficient if the "value master" from the head office came and informed us about these things."

Values cannot be implemented by issuing orders. The local unit used to be an independent company, and the fact that values are merely dictated from the head office creates great resistance. People feel they have no influence over anything.

Manager, local level:

"If every manager and the whole organization can speak openly about things and the game is open, it creates trust"

Openness is needed in the company, and management should set an example.

Employee, local level:

"If you can't be open, you can't. But then you must not shout out that you are open. Like "we are so open" and then you are not. You destroy the whole thing by doing that..."

The problem between trust and communication is clear. Since the stock exchange rules define what information is available and what is not, it should be explained to the personnel. At the moment, people feel as "outsiders" in their own organization because of the lack of information and the reduction of personnel:

Employee, local level:

"The personnel feels that they are not respected, since there are personnel cut-backs all the time."

5.7.2 Company B: Circle of Commitment

Employee, local level:

"It's good that the background issues are taken into account, that they (managers) don't say "do what you are told to do". Instead, they also tell us WHY these things are done."

Participation is considered extremely important in value processing. Due to participation, people obtain more information and feel more committed. Participation encourages people to be involved and sends a signal to the individual that he or she is valued (Steers & Porter 1991).

Manager, in the process:

"There are many methods to get people to participate and think. When we get people to participate and think, we get them to understand. And when people understand, they approve. And when we get people to approve, we get people to commit. It has to be like this...participation, understanding, approval, and commitment. This circle has to be complete. That's what it's all about. It's a tool for value processing and value management, the expertise. These things won't come through orders, it comes through thinking and reasoning."

The positive circle of participation, understanding, approval and commitment is needed. The management has the greatest responsibility in this, but each individual has his or her own responsibilities, as well. They need to know about matters, but they should also be able to ask for information. The questions WHY and HOW should both be asked and answered:

Manager, in the process:

"*It is crucial that all the people involved in the value planning understand WHY it is done, what the goal is. It is almost always the main loss in corporate planning, that everybody doesn't understand the concepts the same way.*

5.7.3 Company C: Listen to the Personnel

Top manager, local level:

"It is obvious that if these (values) are only read from a piece of paper it won't work. People have to be there, defining the values themselves."

Employee, local level:

"Personnel commitment is extremely important."

Participation is seen as a key element in the market company, as well. The employees are more committed to the common values, because they have been IN the process. They have defined the common values together with the management.

Manager, local level:

"Because the employees have been making and processing these values, they think values are important and guide our actions. They understand the idea behind our values since they have been making them themselves."

Employee, local level:

"Value processing WITH the personnel is essential. By working together, the personnel becomes committed to the values, and it reflects on the work quality and motivation."

Employee, local level:

"The most important value is "person as a individual". The work community should be considered as composed of individuals."

Individuality is also considered important. Each person has the need for recognition at some level, and respect is needed.

Manager, head office:

"Value discussions... It's no use going and discussing values just for the values' sake. It will amount to nothing... and people won`t understand a thing."

Value discussions without careful planning and examination are useless. People cannot be fooled by value discussions which have no real objectives. Information and communication arise in many interviews:

Employee, local level:

"The market has this system... We have merchant meetings every second year, where all issues are updated. Supervisors and union representatives also take part. All important up-to-date issues are discussed."

Manager, head office:

"The ideal would be that the values are disseminated to new employees by their supervisors and work teams. Values can be taught and people trained, but that isn't the right way to do it. It can support the process, but the main thing should come from the supervisor: through everyday behavior and work, that is the right way to process values."

Van Lee et al. (2006) maintain that companies that do the best job of living up to their values and developing ethical employees, including managers, recognize that the real cause of success – or failure – is always the people, not the words. The entire organizational culture should be based on a common value basis:

Employee, local level:

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

5.7.4 Conclusions about Future Improvements

The most important questions to be answered in a value process are "what" and "why". The management's task is to answer these questions. Personnel participation is one of the most important factors. In short, when the management's task is to give information and answers to questions, the personnel's task is to ASK questions and seek the information needed. Nobody should hide behind their own task, with a total lack of personal will and incapability to think for themselves. People want to have power, but not the responsibilities related. When problems occur, it is always easier to blame others (managers, superiors etc.) than to pick up the baton personally.

Another important matter is to consider the whole value process: from the beginning to the "end". This does not mean that after processing, the values are "done" and nobody needs to control them. The value process has no end. After definition and dissemination, the values have

to be controlled and updated if needed. The greatest lack in organizations is the lack of control. Once values are processed, they disappear all too often somewhere in the background, and the real benefits are not reaped. Commitment to value processing includes control as a top priority.

One important factor is the management: from the top management to the supervisor level. Managers are the primary examples and they have to be committed to value processing: this was pointed out in a majority of the interviews. They have to set an example, so that they can demand same kind of behavior from their employees. As mentioned above, only by setting a good example, managers can create a circle of participation, understanding, approval and commitment.

"When we get people to participate and think, we get them to understand. And when people understand, they approve. And when we get people to approve, we get people to commit. It has to be participation, understanding, approval, commitment. This circle has to be complete."
(Company B, manager, local level)

6 DISCUSSION: EMPIRICAL FINDINGS AND THE THEORETICAL ASPECTS

The aim of this study was to examine the official value processing in three case organizations in connection with organizational members' perceptions (at different hierarchical levels). This was done by qualitatively analyzing (content analysis) written material and especially interviews at different levels of hierarchy, focusing on organizational culture. Values, organizational culture and individual aspects were interconnected through the study.

In this study, values were handled in connection with organizational culture. I asked the organization's members to speak about their perceptions of values and value processing, and the cultural aspect arose from the empirical data. As mentioned before, the symbolic-interpretative approach in organizational culture studies is concerned with describing how organizational realities are "socially constructed": in this study values are seen through the eyes of the personnel. The social construction has contributed some views to this study, but it is not the main approach: the main approach was Martin's three perspective model.

In the beginning of the study, I presented J. Martin's (1992) Differentiation view as the main approach in this study. Since differentiation studies are particularly sensitive to differences in power and conflicts of interest between groups, I found it suitable for this study. Values as a phenomenon and value processing include a strong power perspective, especially between the top management, middle management and employees. I chose this view because I wanted to emphasize the role of individuals: differentiation studies are more likely to focus on members of subordinate groups (Martin 1992, 137). Since my emphasis was on organizational culture, I will next present my own interpretation of Martin's three perspective model through the empirical findings.

Table 3: An objectivist, single-perspective view of types of organizational cultures

Most "appropriate" cultural perspective	Primary course of change	Most likely types of organizations	Connection to empirical data
Integration	Emphasizes leader response to environmental pressures	Small (ideology- or founder-centered or large and centered)	Company A: history as a mill) A,B,C: the local level, leaders as examples
Differentiation	Emphasizes collective action within organizational and environmental influences	Large and/or decentralized (functional, geographical, and hierarchical divisions)	Subcultural view: top management middle management employee level
Fragmentation	Constant change	Innovative organizations or public sector bureaucracies with multiple constituencies	Turbulent emotions (between org.members)

(Martin 1992, 170: modified)

A subjective, three-perspective view of organizational culture is needed. "At any point in time, a few fundamental aspects of an organization's culture will be congruent with an Interactions-perspective – that is, some cultural manifestations will be interpreted in similar ways through the organization, so they appear clear and mutually consistent." (Martin 1992, 168) This perspective represents the managerial roles in my study: in the empirical findings it was clear that the management (especially the top management), thinks and hopes that values would be mutually experienced as the glue which keeps the organization together. The Integration view was

emerged in the empirical findings in all three companies. The management's role was emphasized; integration through the leaders' example was needed. In Company A, the integration view arises especially in the historical aspect. The mill used to be a family company, where an authoritarian leader was the "father figure" to the whole personnel: the trust and respect were mutual in the organization. After mergers etc. this has changed, and the present leaders are seen (and even see themselves) as puppets to the head office. In companies B and C, organizational values are strongly connected to the local top managers. They are seen as the most important examples, and they also try to play the part. They in a way represent the ideology of value-based behavior, and assume their responsibility to set an example to the personnel. In the interviews, the general managers in companies B and C were mentioned often as ones to set an example, but in Company A this was not mentioned. Instead, interviewees (especially at the employee-level) found it difficult to name any "good examples" from the management. This tells about the negative interpersonal relationships and culture in Company A.

"At the same time, in accord with the differentiation perspective, other issues will surface as inconsistencies and will generate clear subcultural differences." (Martin 1992, 170) This is the main point in my study, as well: the values are represented very differently among the personnel groups. Some (especially the management) believe values are well processed and adapted, others (especially the employee level) think this is not the case. Values are seen as management's craze without a real basis. The process itself raised many different statements from individuals. This differentiation view is more closely handled at the end of this chapter, since it is the main perspective in this study.

"Simultaneously, the with the Fragmentation viewpoint, still other issues will be seen as ambiguous, generating unclear relationships among the manifestations and only ephemeral issue-specific coalitions that fail to coalesce in either organization-wide or subcultural consensus. Furthermore, individuals viewing the same cultural context will perceive, remember and interpret things in different ways." (Martin 1992, 170) This is what reflects the understanding of values in this study: each individual understands values differently. My aim was to introduce the main themes behind the official value processes through individuals. One of the most important empirical findings, the meaning of emotions (soft part of organizations)

emerges from the Fragmentation perspective. Today's turbulences in organizations make changes constant and inevitable. Organizational actions are constantly affected by humans with feelings; values as a complicated phenomenon even more than others. There can be well made official plans for how values should be implemented, but if the emotional aspect of values is left without attention, the feasibility suffers.

According to Martin (1992, 174), any cultural context can be understood more fully if it is regarded, at any point of time, from all three perspectives. "To exclude any of these perspectives from the domain of organizational culture research would be to limit what we could try to understand." I do agree with this, but in this study I preferred to examine the Differentation view more closely. All three perspectives in all three case companies would have made this study too wide.

The symbolic-interpretative view was also emphasized in this study. According to it, the culture is in control (Hatch 1997, 342). In a way, a culture controls the behavior of its members, and perceptions of values represent it for their own part. Of course the effects are bilateral, but it can be reasonably said that culture and values have a constant connection. After all, values are in the core of the culture, also in organizations (Schein 1985, Martin 1992). Berger and Luckmann (1970) have claimed that the human social order is produced through interpersonal and implicit understandings that are built via history and shared experience. The subculture approach was also one part of this thesis. Martin (1992) argues that subcultures are defined in relation to an organization's overall cultural patterns, especially with respect to the culture's dominant values. The subcultural view in this study occurs in the different levels of the hierarchies: perceptions about values and value processing differed among the top management, middle management (supervisors) and employee level. The words vs. deeds – comparison represents the subcultural differences: the management speaks about values as an important part of organizational activities, but the employee level sees the implementation more negatively.

6.1 Reliability, Validity and Limitations of the Study

Scientific quality may be judged by various criteria. According to Janesick (2003), the core matters in qualitative research are the descriptions of persons, places and occasions. The choice of informants, the researcher's attitude, the conditions, conceptualization, data collection and analysis should all be judged (Syrjälä et al. 1995, 100). In this study, interviewees from different hierarchical levels and tasks were chosen for the purpose of obtaining heterogeneous empirical data. I wanted to hear the individuals' opinions throughout the organizations. My role as a researcher was to be a listener, to ask more when needed but mostly to hear what the interviewees wanted to tell me. I took their opinions as a fact, so in the analysis I did not try to find out the "truth behind the words". Instead, I anticipated that the interviewees told me the truth by answering the questions. No preliminary hypotheses were set, and the conditions in the interview situations were as stable as possible.

Reliability means that the operations of the study, such as the data collection procedure, can be repeated with the same results (Yin 2003). The demand for replication is a common demand for the researcher in order to show the objectivity and high quality of the scientific research. The reliability of the research ensures the ability to give non-random results. The researcher can be the greatest source of random errors. It is somewhat theoretical, as qualitative studies such as case studies and interviews are often both time and person specific. The interview situation is always unique and it is impossible to interview the same person exactly the same way twice, whether by the same or by different interviewers. (Hirsjärvi and Hurme 1991) Reliability in this study is threatened by various factors related to researcher biases, interviewee characteristics and methodology. My own background as a researcher naturally reveals a potential problem in terms of reliability. I may have interpreted the interviewees or empirical data differently than another researcher would have done. I tried to minimize this during the interviews by taking the role of a listener, not a debater. Naturally, I explained my task and research subject clearly to the interviewees, and emphasized their role as a narrator. I never tried to guide the discussion, instead I gave the interviewees the freedom to tell me their opinions.

According to Yin (2003), the use of the case study protocol and developing a case study database are good ways to improve the reliability and repeatability of the study. In this study, these techniques were used, and all notes have been stored. The interviews were recorded with one exception, where notes were used instead. Emphasizing the confidentiality and anonymity of the interviews was the most important way to improve the reliability of the study. The atmosphere during the interviews was open and warm, so the assumption that the interview interpretations are reliable is justified.

Validity means the capability of the indicator or research method to measure just what is intended to be measured. Validity is also connected to the researcher, how he/she can use the method to study what is intended to be studied. Thus a theory, model, concept or category should describe reality with a good fit in order to be valid (Gummesson 2000, 80). The validity of qualitative research can be increased by designing a proper interview framework through accurate reporting of the manner in which the research has been carried out and by choosing the right interviewees. Validity can also be increased by the researcher's familiarity with the subject. (Hirsjärvi et al. 2001, Silverman 2001) I familiarized myself extensively with my research subject before engaging in the field work. In this study, the validity deals with establishing the correct operational measures for the concepts being studied (construct validity), truth value for findings (internal validity, credibility) and the domain to which findings can be generalized (external validity, transferability) (Yin 2003). The most central technical problems in interviews are said to be (e.g. Eskola and Suoranta 1998) the communications problems between the interviewer and the interviewee. I, as a researcher, posed the questions based on the interview frame, correctly and alike in every interview. If there were any uncertainties during the interviews, they were handled immediately. I listened to the interviews at least three times, first in the interview situation, second in the transcribing process and third when checking the text. This brought me, as a researcher, closer to the content.

The *limitations* of the research are related to several factors. Zaltman et al. (1982, 95) claim that models of complex phenomena are often incomplete and a theory contains a good deal of speculation. Ultimate proof is often elusive due to alternative explanations. Describing a dynamic social process between three different organizations and their employees is a very

demanding task. A value process includes several important factors, and it might be difficult to separate the key critical factors in order to create a theoretical model at the necessary level of abstraction.

One of the limitations of this study might be the research method and the way in which the interviewees were chosen. The method and implementation of the interview was my personal choice, and other researchers may naturally criticize this. Before starting the interviews, I familiarized myself with various theories, and formulated the questionnaire in accordance with them and my research questions. I started the field work quite early, which may also be criticized. Still, to me this "from theories to the field and back again" way of doing research was the most suitable one. In this way, I had the opportunity to connect the theoretical aspects to the findings from the interviews through the whole research project.

The weaknesses of the interviewees were controlled by choosing the interviewees from different hierarchical levels and different tasks. Although management gave me the names of some employees I could/should interview, I was able to choose the interviewees freely. The "snowball effect" functioned well: I asked the interviewees in different tasks to name a few more candidates for interviewing. After all, I was the only one who knew the interviewees' names and positions.

The qualitative interview method inevitably entails a great deal of interpretation. Every interviewee was asked the same questions but the answers varied in context and extent. Some employees wanted to answer the questions in more detail; others did not have the time or will to speak so much. Overall, the atmosphere during the interviews was confidential and warm; however, a few interviewees were quite careful in their comments. My role as a researcher was a limitation on its own, although I tried to be as neutral as possible. During the interviews I acted as an enquirer, listener, observer and note taker and avoided intervening in the discussion further than that. Naturally, people have their own opinions about researchers in general, especially when asking about values in organizations, which as a theme made the interviews quite personal. As a whole, there was a mutual understanding during the interviews.

Three companies were studied in this research. Two of them were cooperative organizations; the third was a multinational corporation. This has both advantages and drawbacks. On the one hand, the comparison between three different companies (a forest company, a bank and a market) brings interesting aspects to the study. On the other hand, using three cases detracts attention paid to the companies individually. If the study had included only one case company, the results would have been utilized better to its individual needs.

6.2 Conclusions about the Study

The aim in this study was to dive deeper into organizational value processes: to get the "insider scoop" on organizational values and value processes from the organizational members' perspective. The organizational members included top management, middle management (supervisors) and the employee level. The main research question was "How are organizational values and value processes perceived by the organizational members?", and the sub-questions were "Why are values promoted and how is the value process described in organizations?" and "What factors affect value processing, what kinds of problems occur?" In this part, I will summarize this study. I will summarize the main findings according to the theoretical framework and the empirical data. I will also conclude my own experiences which have emerged during this thesis project: I will introduce my own thoughts and opinions about organizational value processes, so they are not to be strictly connected to a certain specific case company. They are my general assumptions; my own, individual perceptions about value processing in organizations.

In the beginning, I asked the question "What is the Point of Value Processing"? In this study I have searched for the answer. The aim was to study the individual (organizational members') perceptions about official organizational value processes. As I began this research, the organizational values (regardless of the company's size, location, business task, etc.) were similar between the different organizations. However, the organizations do emphasize their values and organizational culture as one of the most important factors in their success. In the beginning, I raised the question WHY organizations claim that values are extremely important and at the same time they do nothing to create real value by values and value processing.

Everybody admits that organizations need to have a common basis, common values, etc. The conflict between words and deeds is obvious. I studied the value processing in three different organizations, a forest company, a bank and a market. I asked value-related questions from the personnel, from the top management to the employee level, from the head office to the local level. I asked e.g. how they understand values, what factors affect value processing in their opinion, what kinds of problems occur and what could be done better so that values would become truly "valuable" to the organizations. When examining these companies' defined values, it was easy to see that the organizational, officially defined values were similar in content. This made me interested in the real reasons ("point") of value processing: if all officially defined values are similar, why do organizations process values at all?

For example the phrase "the employees are our most important resource" is very often mentioned in connection to organizational values. It is a familiar phrase from annual reports and personnel development projects. In annual reports, companies emphasize the importance and power of values. Values are respected and advertised, but there is a clear conflict between the theoretical, official and substantive organizational values: in the value processing from words to actions. This can be clearly seen through the empirical findings. I asked the personnel at different hierarchical levels to answer my questions: in this way, I compared the official value process to the perceptions of the employees. The findings on the organizational members' perceptions of the organizational values and value processes were, in a word, mixed. Next, I will present the conclusions from each empirical part.

Table 4: Comparison between the companies' value processes

	COMPANY A	COMPANY B	COMPANY C
"value makers" in the organization	top management (head office)	top management (head office)	top manegement (head office)
processing at the local level	low, diverse	with the personnel	with + by the personnel (own local values)
adoption of values among the personnel	diverse, negative	quite positive	positive
description of value process	"big words opposite deeds"	"what values mean in my work"	"we made our own values

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There were differences between the value processes in all case companies. Also in the implementation, understanding and treatment of values and value dissemination there were differences between the companies, as well as within the companies (subcultures).

The main differences between the case companies concerned the feasibility of the value process. As I mentioned at the beginning of this study, in all three companies values were created in the head office and then disseminated to the local units. Companies implemented the value process differently at the local level.

The empirical part started with the question about the targets of the value process. Based on the empirical findings, there are several reasons why values are processed in the organizations. First, values are processed because the companies need to have something "to keep it together" in the changing world (mergers etc.) Second, the aim of value processing is to achieve unity in the organization and to make the personnel committed to the company: "who we are and where are

we going – supported by our values". Third, values are seen as a fad, not as a true intention to improve the organization and its culture. Values are processed only because "every organization has to do it". This "values as a fad" perspective was interesting, and probably some organizations do process values only because they are "in". This can be seen as one explanation to the recent expansion of value processing in organizations (and the lack of controlling it). The targets of value processing were seen quite homogeneously in all case companies. In Company A, the top management and middle management emphasized the merger situation, internationalization and the aim to create a new common organizational culture for the company. The employee level also mentioned unity as one of the main targets for the value process. In Company B, the top management and middle management emphasized the group culture and the strategy, and also the cultural aspect was mentioned. At the employee level a significant profit and the image were seen as the main targets, and also criticized (since personnel well-being suffers from a constant hurry). In Company C, the targets were perceived quite similarly at all levels; the main reasons for value processing were based on the business idea, vision and customer service. Value processing can be seen also as a "social tone" in the organizations. When values are processed and spoken about, it creates more discussion among the employees. In the empirical data, the discussions and spoken values were seen already, as such, as a good thing, no matter the outcome of the process itself. The values discussion as such was seen stimulating.

The understanding of values and value processing was studied next, as well as the factors which (according to the interviewees) affect the value process. The understanding of values was quite heterogeneous. Most of the interviewees agreed that values as such are valuable. The greatest problem was connected to the practical values: what the organizational values mean to each individual, in their everyday work. Values were not understood sufficiently, information from the management to the employees was not clear enough. Since the information and meaning of values, as well as the reasons for value processing were not communicated clearly, it created frustration and contradictory feelings towards values as a phenomenon. The top management and middle management seemed to understand organizational values quite similarly, but at the grass-root level the understanding was often poor. The main point seems to be the lack of information from the management: the personnel needs to know what values mean in their every day work, before they can be committed to them. The organizational culture is an important factor in all

this. As one manager cited in the text said: *"The problem is that everybody doesn`t understand thing similarly...It`s a big shame if the lay people involved can`t understand why values etc. are processed."* (Company B, manager, local level)

Nevertheless, the personnel's responsibility and attitudes towards values can be criticized also. As stated in the empirical findings, employees often resist changes in their organization. People want security provided by constancy, and whenever new ideas or strategies are expressed by the management, resistance occurs. The lack of information and communication is not only the management's responsibility: the personnel has the right and duty to ask questions and seek information. In the interviews, the employees frequently complained about the management's poor communication, and the management complained about the employees' refusal to listen. The gap between management and employee level communication is clear. According to the empirical findings, personnel participation in value processing reduces resistance and makes the organizational culture more united. When values are made together, they are experienced more positively.

Age differences arise from the interviews: older people seem to have a stronger value basis than the younger ones (see e.g. p.169). The older people mentioned values like "home, religion and fatherland", which younger people did not. This is probably linked to the common way of thinking today: many people say that the society and especially the younger generation has somehow "lost" their value basis. Still, a bigger problem than "today's value void" is the insufficient communication and understanding of values.

There were some differences in the case companies and among the different hierarchical groups in understanding values. In Company A, the values were processed precious little at the local level: the resistance towards the head office and its "orders" was strong, so values were also resisted. The attitudes towards values were negative, and the personnel did not feel comfortable with them. Values were experienced quite negatively especially at the local level. Values as a word was defined as difficult and even clumsy. At all hierarchical levels (even in the local top management) values were seen as a useless fad, without a real connection to everyday practices. In all of the different groups (top management, middle management and employee level) values

were in general seen in a negative light. The resistance towards "values issued from the head office" was enormous, and the local management had neither the will nor the power to make values concrete and functioning. This projects the weakness of the organizational culture, communication and management's responsibility: "Big words, opposite deeds."

Company B processed the given values at the local level with the personnel. Personnel participation improved the attitudes towards values, although in Company B resistance towards "the latest fad" also arose. Among the top and middle management, understanding the contents was seen crucial. The employees also expressed some negative thoughts, and values were referred to as "a fad from abroad". Personnel participation created trust towards values. The differences between hierarchical groups were not strong. The most important individual was the local manager, who emphasized values in every meeting. Values were processed and discussed quite widely: "What these values mean in my own work."

Company C generated its own, local values with the personnel. The employees chose suitable values, and the top management confirmed them. Values were understood and perceived quite positively at all of the different levels, although they were mentioned to as fad, as well. Yet in Company C, values were processed with the personnel, which was one of the main reasons for the positive perceptions. Due to the personnel's participation, the attitudes towards values were positive in the company. The contradiction between words and deeds was minimal because the personnel's opinions were asked and taken into consideration. People felt that their opinions mattered: "We made these values."

Next, the factors affecting the value process were studied through interviews. The feasibility of the value process depends on many different factors. According to the empirical findings in this study, the main factors affecting value dissemination are the organizational form, the organizational culture and the manager's role, and the treatment of the individual (employee). Communication, participation, commitment and organizational success all come back to the individual: how people are treated in their organizations, how they are respected, informed, etc. The factors affecting the value process are presented in Figure 10.
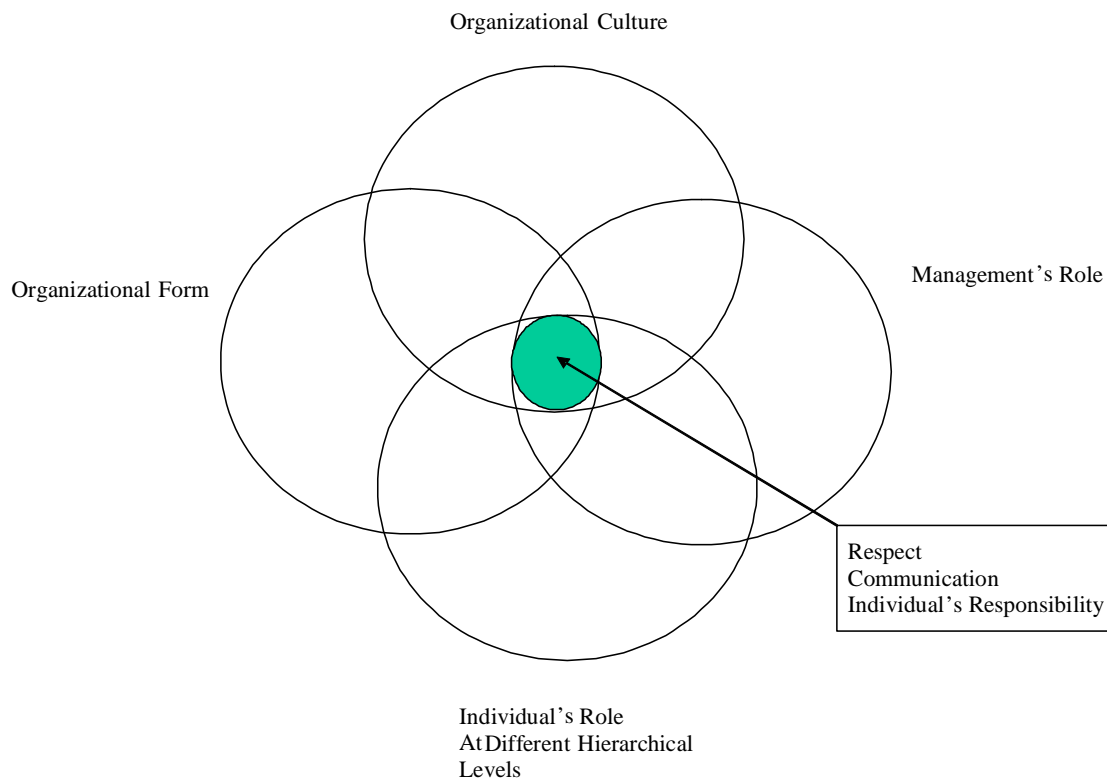
Figure 10. Circles of Value Process Factors

The organizational form's effect emerges clearly from the empirical data. In Company A, the history as a family company has a strong impact. The change from a small family mill to an exchange-listed company has been difficult, and this reflects on the attitudes towards "new" values. The employees blame the management for not giving information, and the top management and middle management appeal to the stock exchange rules. Also the change from a family mill to todays "owned by grayhaired old women in the USA" (stock owners) is criticized.

The cooperative case companies (Company B and Company C) have historical traditions in ethical norms and values, so they have been better "prepared" for values than Company A. The ownership in cooperative companies is more local; in international companies the owners are faceless. This is seen positively in both companies, at all hierarchical levels; the profit stays in the province.

The roles of management and organizational culture were raised as two important factors affecting value process. The manager's role in shaping the value-based organizational culture is extremely important. Managers are important examples to their employees; they have to live up to the values before demanding it from others. They have to support value-based behavior, and transformational, "emotionally effective" leadership is needed. In this part, especially the role of the middle management (supervisors) is underlined; their role is even more important than that of the top management.

In Company A, the importance of management in value dissemination in considered crucial at all hierarchical levels. Managers are seen (or demanded) to set an example: they have to show how the others should behave. The supervisor's role is seen as important: the feasibility of the value process culminates in their activity. If the supervisors do not act according to the values, the value process stops.

In Company B, the managerial and cultural effects are also widely recognized at all hierarchical levels. The local top managers see themselves as the most important examples, which have to guide the other employees. Especially the role of the local top management is considered very crucial. Nonetheless, the responsibility of all employees is emphasized. The supervisors' example is also important in the bank; they are nearest to the employees.

In Company C, the managerial and cultural roles are widely emphasized. The employee level demands value-based behavior from the management, but they also know that in the end it all depends on the individual. At the local level, the general manager is claimed to be the first and best to set an example: he follows the values, but demands the same kind of behavior also from the employees. The supervisors' role is also recognized.

Next, the problems in value processing were examined. Based on the interviews, the greatest problems in value processing were the lack of information, the lack of communication and thus the lack of respect for the individual. The lack of control in value processing was also extremely important: if companies do not control the value process, it loses its value. Value processing is thus seen as useless: this results from the lack of information, which reflects the inadequacy of

the organizational culture and management. This, in turn, is caused by the lack of communication, which provokes a lack of motivation, trust and commitment among personnel. Still, the employees have to take responsibility also. They can and should ask questions and search for information if management in their opinion does not attend to it. Respect towards the individual should work both ways throughout the organization.

In Company A, the greatest problem seems to be the change from a family company to an exchange-listed company. The old times are missed and the values given from the head office are seen as useless orders without any real meaning. Because of this resistance towards the head office, values are taken negatively. Even the top managers at the local level claim values to be "the latest craze", and people in the head office admit this: the process has been implemented very differently in the provinces. At the local level, values are just empty words, issued as orders by the head office.

In Company B, the top managers admit the lack of control and the lack of time in value implementation. The process has not been controlled enough. One of the most important problems is that people understand values differently. The employee level also criticizes the lack of "internal" values: the recent official values are too customer-oriented, and the employees would also like to have their "own" values (way to behave). The employees also refer to respect, especially among the fixed-term employees.

In Company C, the management-level recognizes the problem of hidden values: there are always some other values affecting in the background, even though the official values have been processed. Other people think values are useless, others think they are important. The top management also refers to the supervisors: they often keep information from their employees, so that values are not disseminated properly. The supervisors' role is crucial in Company C, as in all three case companies. The supervisors are the middlemen between the top management and their own employees, so the pressure is huge. The trust between the top management, middle management and employee level should be stronger in order to implement the values.

Finally, the empirical part included suggestions for improving the feasibility of the value process. The most important questions in the value process are "what" and "why". The management's task is to answer to these questions about value processing. Personnel participation is also one of the most important factors: "*When we get people to participate and think, we get them to understand. And when people understand, they approve. And when we get people to approve, we get people to commit. It has to be participation, understanding, approval, commitment. This circle has to be complete.*" (Company B, manager, local level)

In Company A, the managers emphasize the need for trust. The employee level criticizes the openness and the communication: they claim that openness as a value does not work, and that communication from the management to the employees is weak. In Company B, both the managers and the employees emphasize the participation and commitment of the personnel. In Company C, some of the employees criticize that values should be more apparent in the practices, not just "posted on the wall". This is recognized also by the top and middle management. The middle management (supervisors) set an important example. The participation of the personnel is seen vital: when people are involved in the value process, it creates more commitment.

Another important thing is to consider the whole value process: from the beginning to the "end", which does not mean that after processing the values are "done" and nobody needs to control them. The value process has no end. After the definition and dissemination the values have to be controlled and updated if needed. This seems to be the greatest shortcoming in the organizations: the lack of control. Once values are processed, they too often disappear somewhere in the background, and the real benefits are not reaped. The commitment to value processing includes control as a top priority. The words vs. deeds problem in value processing culminates in the organizational form, organizational culture, management, communication and especially in respect for the individual. All kinds of processes and strategies can be spoiled by disrespecting the personnel. People want to matter, also in their workplace.

Next I will present some general opinions which have emerged during this research project: my own, individual perceptions about organizational value processes. In the beginning I, wondered

what the "point" of value processing in organizations was: every organization seems to do it, but what is the main reason for it? I approached the question through interviewing organizational members, who gave me answers as to the targets and understanding of values, the affecting factors in the value process, and also the problems occurring while values are disseminated. These individual perceptions (at different hierarchical levels) helped me to better understand the "point" in value processing.

Values are processed for several reasons, sometimes even for no reason at all. Values are simply processed because it is a "must" today, not thinking about the positive impacts they might have when disseminated carefully. There are also genuine thoughts behind value processing: many studies and researchers (Aaltonen & Junkkari 1991, Martin 1992, Parker 2000) have shown that working values can truly make a difference in companies, and some companies truly try to strive for it. Still, the actual dissemination is difficult, as been presented in this study. Real commitment is difficult to achieve, so that values would affect people and the company profit positively. It should be emphasized that values are more than one organizational process among many; there are a great deal more feelings and interrelationships included, because values are always personal and intimate issue to people. This is too often forgotten in organizations.

Official values are processed and approached quite often in a rational way; from the start of the process to the end, as any other organizational process. The recent literature has done the same. The result of this study is that values as phenomena are not as strictly rational as often claimed, and cannot be processed without reference to emotions. People understand the meaning of values differently, and they lie "below the surface": their meaning is mentally greater to people, and this is often forgotten when values are officially processed. It should be remembered that since values are affected by the human mind, individual feelings should not be forgotten during value dissemination. As can be deducted from the empirical findings, people's feelings are the ones that really matter, not the official orders. No matter how noble the values and plans for their dissemination are, the real effect happens at the emotional level. This level can be reached in organizations, but it demands work from the top management, the middle management and the employee level. This means the top management sets an example, and the middle management follows. After that the employees can assume the values and understand them in their own

everyday work. Personnel participation in value definition and dissemination improves commitment and makes value implementation easier. Values should not be issued from above, they should be negotiated widely at different hierarchical levels. People want to feel like they matter, and when they feel that their opinions matter, they will accept that which is new (such as values) more easily.

6.3 Suggestions for Further Research

In this study, I have presented value processing in organizations, seen through the personnel's eyes. I have limited my study to organizational values, although in the interviews I also asked about corporate social responsibility (CSR), which is strongly related to organizational values. I purposely chose to exclude CSR from this study and concentrated more on the value processing. This was because the amount of empirical data was vast and I wanted to introduce a deeper analysis of values and value processing in organizations. The CSR aspect is one I prefer to study in the future.

The results introduced in this study also require more research. One aspect could be to concentrate more on only one level of hierarchy: the top management, the management or the employee level. In this study, I wanted to study all of them, but a more precise study could bring very interesting results from the different hierarchical groups. Also the supervisor level's role "as the bottleneck" for reforms and new processes in the organizations is an interesting question; one that I would like to study further.

J. Martin's three perspective model would be very interesting to examine in each of the case companies. This would give the opportunity to concentrate more on each company in detail, and I hope to do this in the future. In this study, all three perspectives in all three case companies would have made the research too wide. The aim was to research value processing in all three companies, but more detailed results for each company could be useful.

Last, but not least, the need for recognition and respect among individuals was very strong throughout the whole study. Even though it was included in this study, I think more research in

this important area is needed. Especially two-way respect (towards both employees AND managers) should be emphasized.

"In my opinion, it's all about the human being. How a person thinks about other people."
(Company B; manager, local level)

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APPENDIX 1

STRUCTURE OF THE THEMATIC INTERVIEWS

VALUES AND VALUE PROCESSING

Background information

Name, age, hobbies, family, etc.

Education

Job description/task

Values of an individual

What kind of thoughts do values arouse in you? "Values" as a word?

The meaning of the values, how do you understand them?

What do values mean to you?

Personal values at the moment? The three most important ones?

Have they changed? How?

How do you describe values as an employee, as a member of the work community?

Organizational values

Your organization's values?

Are there hidden values in the organization? Which ones?

What is the main idea behind the values?

Are the official values the basis for actions in your organization?

How do the organizational values suit your personal values?

Organizational value process through own experiences

When were values first talked about? By whom?

Who defined the values? (the personnel, management, consultants, etc.)

Why were these values chosen (in your opinion)?

Why was the value process started (in your opinion)?

What kind of a need/idea was there behind the process?

How was the process started?

How did the process proceed, were there different steps?

In what phase is the value process at the moment?

In which direction is the process going?

How has the process succeeded? Have there been problems? What kinds of problems?

Have the values been changed? How? Why?

Is there an example person/group in your organization, who acts according to the values?

How are values transmitted to the personnel? To new employees?

Organization as a moral actor / image factors

How do values appear in the company image?

How do values appear in the company's actions?

How does the company handle values, words vs. deeds?

How are values experienced in the work community? What kinds of thoughts do they raise?

"The personnel is our most important resource" – does it fit your company? Why?

Give an example of when something has been done in accordance with the values in your company.

Give an example of when values were not followed. What could be the reason for it?

Corporate social responsibility (CSR)

How is CSR defined in your company/what does CSR mean in your company, what does it include?

When was CSR started? Why?

What is the target of CSR in your company, what does it aim for?