Subject: Management

Production of Courseware
-Content for Post Graduate Courses

Paper: 13, Organization Behaviour

Module: 14, Values

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Items	Description of Module
Subject Name	Management
Paper Name	Organization Behaviour
Module Title	Values
Module Id	Module no.-14
Pre-Requisites	Basic knowledge of individual behaviour
Objectives	To understand the concept and types of values
Keywords	Values, Terminal values, Instrumental values, Organisational values, Work values and Cross cultural values

QUADRANT-I

Module 14: Perception
1. Learning Outcome
2. Introduction
3. Meaning and Definitions of values
4. Characteristics of values
5. Importance of values
6. Types of values
7. Effects of values
8. Sources of values
9. Values across cultures
10. Values and OB
11. Summary

1.   Learning Outcome:

After completing this module the students will be able to:

- Understand the concept of values.
- Comprehend the classification of values

- Illustrate the effects of values
- Describe various sources of values

2. Introduction

Values are long lasting and stable beliefs about what is good or what is bad. In order to understand organisational behaviour, it is very important to study values first because values of an individual strongly influence his attitudes, perceptions, needs and motives at work place. Values are very powerful force influencing human behaviour. Effective managers have to study the value system underlying behaviour of the employees, because only then they will be able to understand why people behave in a particular fashion sometimes.

3. Meaning and Definitions of Values

Values can be described as the basic convictions that guide an individual that a particular mode of conduct or final outcome is personally or socially acceptable or not. Once values are internalised, they become standard for guiding the actions or decision making of an individual. Values contain an element of judgement which influences an individual's understanding about what is good or bad, desirable or undesirable. Values are inherited as well as learnt through the process of socialisation. The work related values such as autonomy, comfort, achievement and status seem to be inherited. Certain individual values are also learnt in different stages of life as a result of interaction with relevant persons in our life like our parents, friends, teachers and colleagues etc. Values are comprised of both content and intensity attributes. *Content* attributes define that a mode of conduct or final outcome is important and the *intensity* attribute define how much important it is for an individual.

Value can be defined as a, "Concept of the desirable, an internalised criterion or standard of evaluation a person possesses. Such concepts and standards are relatively few and determine or guide an individual's evaluations of the many objects encountered in the daily life."

According to *Milton Rockeach, "*Values are global beliefs that guide actions and judgements across a variety of situations."

4. Characteristics of Values

Values generally contain a tinge of principles of morality which direct an individual about what is right, good and desirable. Characteristics of values are given as follows:

a) Values provide standards of proficiency and integrity.

b) Values are fewer in number than attitudes.

c) Values are most central to the core of a person.

d) Values usually go beyond the specific objects, situations, or persons.

e) Values are relatively permanent and resistant to change.

f) When values are ranked in terms of their importance, it results into the value system of that person.

g) The value system of an individual provides a hierarchical framework which indicates the relative importance we assign to different values such as freedom, self respect, honesty, self respect and so on.

5. Importance of Values

Importance of values can be understood from the following points:

a) Values provide the basic framework for understanding attitudes and motivation of an individual.

b) Value system of an individual influences the perception about whatever is happening around in the environment.

c) Values symbolize the explanation of right and wrong.

d) Value system influences an individual's decision making and choice of solution to various problems.

e) Values also play social function in an organisation. Those values which are derived from common experiences help in uniting the societies and groups together.

f) Values influence behaviour of an individual and therefore provide the criteria for evaluating the behaviour of others.

g) In order to meet the challenge of reconstructing the established work values all over the world, understanding the values becomes necessary for every manager in the organisation.

6. Types of Values

6.1 Milton Rokeach Classification

Milton Rokeach conducted a survey which is popularly known as Rokeach value survey (RVS) to classify the values. RVS is comprised of two types of value sets, each containing 18 individual value items. One set is called Terminal values and another is called Instrumental Values.

a) *Terminal Values:* Terminal values represent the desirable outcomes. These represent the ultimate goals that a person would strive to achieve in his lifetime. The examples of terminal values are:

- Comfortable life
- Sense of accomplishment (lasting contribution)
- Family security (caring the loved ones)
- Mature love (spiritual intimacy)
- Self respect (self prestige)
- Wisdom (good judgement of life)
- Exciting life (active and thrilling life)
- Freedom (to be independent)
- Social recognition (to gain respect and appreciation)
- True friendship (closeness with others)
- A world of peace (freedom for stress and conflicts)
- A world of beauty (beauty of nature and arts)
- Equality (equal opportunity for all)
- Happiness
- Inner harmony
- National security
- Pleasure
- Salvation

b) *Instrumental Values:* Instrumental values refer to the preferred modes of behaviour or means to achieve desirable ends. These are the medium for attaining terminal values. For example, the instrumental value which can help in achieving the terminal value of 'true friendship' is being 'responsible'. Similarly the instrumental value 'independent' can help in achieving the terminal value 'freedom'. The examples of instrumental values are given as below:

- Ambitious
- Broad minded
- Capable
- Cheerful

- Clean
- Courageous
- Forgiving
- Helpful
- Honest
- Imaginative
- Independent
- Intellectual
- Logical
- Loving
- Obedient
- Polite
- Responsible
- Self controlled

Various research studies on RVS have pointed out that the importance of RVS values vary among different groups. One study compared the value system of corporate executives of a steelworkers' union and community activists. The significant differences among the value sets of the two groups were found. For example, community activists ranked 'equality' as their most important terminal value, whereas corporate executives ranked this value 12. Activists ranked 'helpful' as second most important instrumental value, whereas executives ranked this value 14. Values help an individual to conduct himself appropriately while interacting with other individuals or groups. According to Rokeach, values serve following functions:

- They influence us to favour one particular situation or ideology over another.
- They take us to the particular position on social issues.
- They guide us in presenting ourselves to others, judging, evaluating and praising others.
- They help us evaluating ourselves in comparison to others on moral grounds.
- They help us persuading and influencing others to change their beliefs, attitudes and behaviours.

6.2 Allport,Vernon and Lindzey classification

G.W Allport, P.E. Vernon and G. Lindzey classified values into six major categories given as below:

a) *Theoretical values*: These values reflect a person's interest in the discovery of truth through reasoning and systematic thinking. Ideal theoretical man values the discovery of truth.

b) *Economic values*: these values refer to one's interest in practicality, usefulness and accumulating wealth. The ideal economic man values whatever is useful.

c) *Aesthetic values:* these values reflect one's interest in beauty, art and creativity. The ideal aesthetic man relish artistic and aesthetic experiences in life.

d) *Social values*: these values reflect one's interest in relationships. The ideal social man gives importance to sense of belongingness and love.

e) *Political values*: these values reflect one's interest in obtaining power and influencing others behaviour. The ideal political man gives more importance to power.

f) *Religious values*: these values reflect one's interest in unity.

The importance of the above mentioned six values varies from person to person. Understanding these values is very important for understanding behaviour of the individuals.

6.3 Organisational values and Work values

Organisational values: Organisations have certain core values that are so deeply ingrained that they guide company's actions and practices to establish organisational culture. Good firms practice distinct and identifiable set of values that include management's belief about service quality, innovation, importance of human resources, detail of information, openness of communication etc. Four types of common organisational values are:

- Power, elitism and reward.
- Effectiveness, efficiency and economy.
- Fairness, teamwork and law and order.
- Defence, competitiveness and opportunism.

Work values: Work values are described as the concept of what is preferable from the given alternative mode of conducts and end states with respect to one's work. In simple words, it can be described as individually held conceptions of what is desirable and what is undesirable with

respect to individual's work activities. T.V Rao proposed the following framework of work values which describes the best career where individual will give his best:

- Creativity and challenge (Scope to do new things)
- Economic (satisfaction of financial needs)
- Independence (Freedom, autonomy)
- Service (desire to serve others)
- Work conditions (Conditions improving individual's productivity)
- Status (Designation and prestige)
- Co-workers (availability of good colleagues)
- Security (continuity of job)
- Academic (relationship of work and academics)

7. Effects of Values

The effect of values can be understood with the help of a framework provided by Meglino and Ravlin (1998). The framework is given as below:
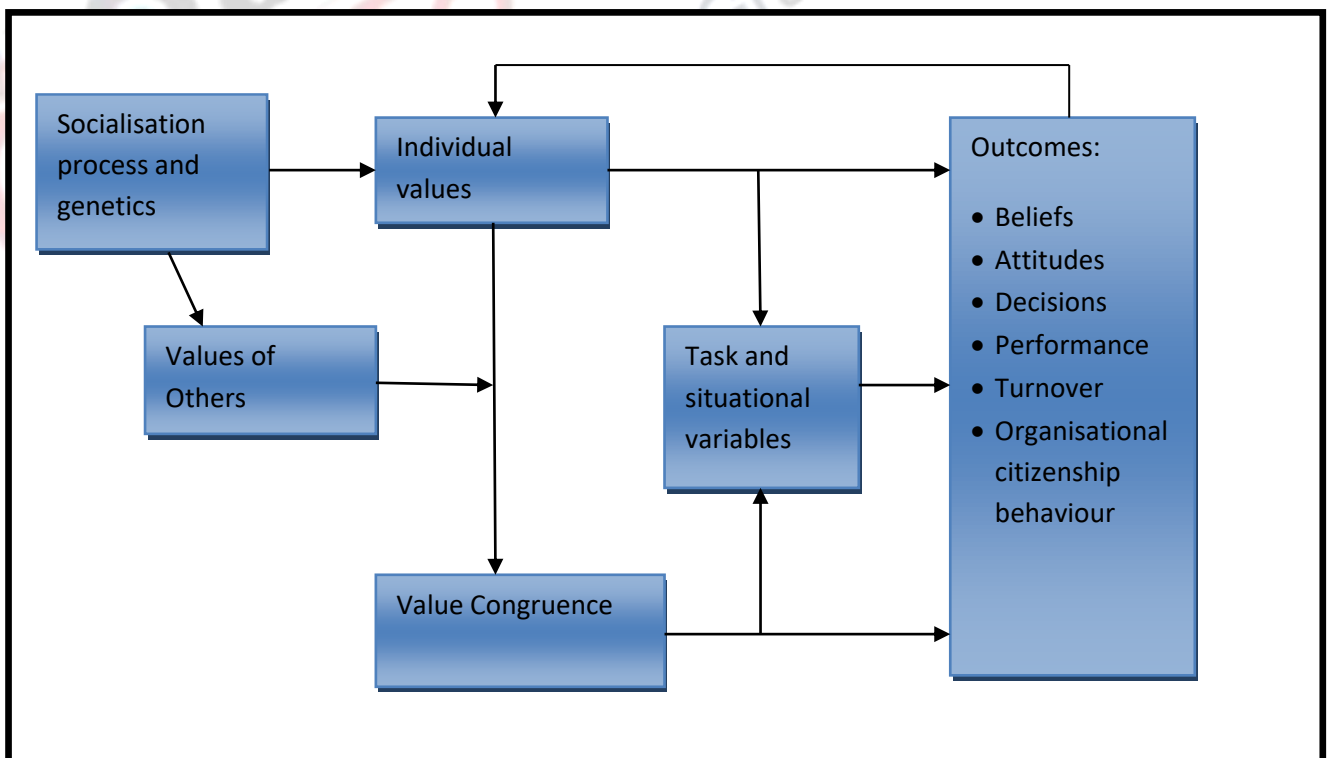
Source: Peter Murray, David Poole and Grant Jones, "Contemporary issues in management and organisational behaviour", Cengage learning, pg. 46.

As shown in the figure, values influence the outcomes in two ways:

a) First, individual values may affect beliefs, attitudes, decisions, performance and other behaviour patterns directly.

b) Second, individual values in congruence with values of others such as leader, colleagues or team members may also influence behavioural outcomes of an individual. But this influence is also dependant on task and situational variables. For example, in routine problems values will not affect behaviour much. But, the affect of values on behaviour will be higher in case of complex problems. This framework also explains that when employees believe that their individual values are aligned with the organisational values, they tend to be engaged in positive organisational behaviours, express organisational citizenship behaviour, organisational commitment and increase the level of their performance.

8. Sources of values

A person may develop values from the following sources:

a) *Family***:** Family is the prime and most important source of obtaining values. Every child learns some values from his family since his childhood and retains those values in his mind throughout his life. The ways the parents nurture, educate and raise their child shape his personality and inculcate values in him. Family is most influential source in the individual's learning of norms and values.

b) *Society:* After family, society also plays a major role developing value system of an individual. Every child learn basic manners and discipline from the school. Interaction with classmates, friends and teachers in the schools and other institutions also inculcate important values in the child. Besides schools and colleges, other groups of society such as religious groups, economic and political groups to which an individual belongs also affect value system of an individual.

c) *Personal factors*: Personal characteristics like intelligence, ability, appearance and education level of a person determines his value system very strongly. For example, an intelligent and educated person will understand and learn the social and work related values relatively faster than the uneducated person.

d) *Culture:* Cultural factors which influence value system of an individual include norms, beliefs and other behaviour patterns which are preferred and acceptable by the society. The values

which an individual learns from the culture are passed on from one generation to another generation. An individual belongs to a society, group and an organisation. Thus he is a composite of many cultural elements. Whether an individual is cooperative, friendly or helpful depends upon the culture to which he belongs. The degree to which an individual is willing to take risks, believes in saving money for future, cares for the loved ones is also determined by cultural background.

e) *Religion:* generally individuals obtain strength and comforts from the religion which they follow. Religion is comprised of set of values and traditions which guide routine behaviour and decision making of an individual. Religious values help people determine what is good or what is bad.

f) *Life experiences:* Apart from the above mentioned sources, a man learns most from his own experiences and sometimes from experiences of others too. The values which an individual learns from own experiences of life are relatively long lasting and difficult to change.

g) *Role demands*: Role demand refers to the behaviour which is associated with the particular position or role profile in an organisation. Every individual plays multiple roles in his life. He has to play the role of an employee in an organisation, role of a family member in the family and friend in the social group. The problem occurs when there is a role conflict. In such case, individuals quickly learn the value system prevailing in the organisation so that they may survive and progress in the same organisation.

9. Values across culture

Due to globalisation, working with people of different culture has become a very common practice. In all multinational organisations you will find executives hailing from different cultural backgrounds. Values differ across the cultures. Therefore, it has become very important for the managers to understand the differences of values across the cultures so that they may be able to understand and predict behaviour of employees from different cultures. Hofstede's framework is the most common approach used to assess and understand the variations of values across different cultures. Hofstede surveyed more than 116000 employees of IBM working across 40 countries in late 1970s to evaluate their work related values. The survey found that values of employees vary on six dimensions of culture. These dimensions are explained as below:

a) **Power Distance:** Power distance is the degree to which people accept uneven distribution of power in the society and institutions. People with high power distance tend to accept unequal

power distribution. The people with low power distance relatively prefer equal distribution of power. Low power distance cultures adopt participative style of management whereas; high power distance cultures adopt autocratic style of management.

b) **Individualism Vs. Collectivism:** This value reflects preference of people for individual goals or group goals. Individualism refers the degree to which people value individual goals over the group goals. Such people tend to behave individually rather than as a member of group and believe that individual rights are above all. In opposite to this collectivism is the degree to which individuals give preference to group goals over individual goals. Collectivism represents a social framework where group members are expected to protect and care other members of the group.

c) **Masculinity Vs Femininity:** Value of masculinity represents the degree to which the culture favours traditional masculine roles like achievement, control and power. Such cultures do not give equality to men and women and fix separate roles for them. Masculine societies are generally male dominating societies. In opposite to this, femininity value represents no or little demarcation between the roles of males and females. Such societies respect males and females equally.

d) **Uncertainty avoidance:** It shows the degree to which people in a country prefer structured and planned situations over unstructured and unplanned situations. This value reflects the tendency of people to tolerate uncertainty and ambiguity or avoid uncertainty and ambiguity. The countries which score high on uncertainty avoidance, people tend to have increased level of apprehension for uncertainty and ambiguity. Such countries frame rules, regulations and laws to avoid uncertainty and always prefer structured situations. In opposite to this, the countries that score low on uncertainty avoidance take more risks, are not rules oriented and believe in change.

e) **Long term Vs. short term orientation:** Long term orientation is a national value which emphasises on future, saving and perseverance. Those countries which have long term orientation generally live and think more for future than for present. On the other hand, short term orientation emphasises on past and present.

f) **Indulgence Vs. restraint:** Indulgence is the degree to which people prefer to enjoy life, have fun and fulfil natural desires. Whereas, restraint is the degree to which gratification of individual's needs, desires and behaviour is governed by social norms.

10. Values and OB

It has been already discussed in the above paragraphs that values influence behaviour of an individual. Further influence of values on the behaviour of an individual in an organisational setting can be specifically understood from following points:

a) An individual's perception about the problems faced by him is influenced by his value system. As a result the decisions taken by him to solve the problems also reflects his values.

b) Values also affect interpersonal relationships in the organisation. The way employees look at each other, cooperate with each other and compete with each other depends upon their values.

c) Values guide an individual about what is ethical and unethical. Therefore, the degree to which an employee remains ethical or indulge in unethical practices will also depend on his values.

d) The extent to which an individual cope up with the organisation's pressures and contribute in the achievement of organisational goals is determined by his value system. The employees stay in the organisations for a longer period if their values match with organisational values and they may leave the organisation if their values do not match with organisatie values.

11. Summary

Values are long lasting and stable beliefs about what is good or what is bad. In order to understand organisational behaviour, it is very important to study values first because values of an individual strongly influence his attitudes, perceptions, needs and motives at work place. Values are very powerful force influencing human behaviour. Effective managers have to study the value system underlying behaviour of the employees, because only then they will be able to understand why people behave in a particular fashion sometimes. Values can be described as the basic convictions that guide an individual that a particular mode of conduct or final outcome is personally or socially acceptable or not. Values contain an element of judgement which influences an individual's understanding about what is good or bad, desirable or undesirable. Values are inherited as well as learnt through the process of socialisation.

Values can be classified into two types viz. terminal values and instrumental values. Terminal values represent the desirable outcomes. These represent the ultimate goals that a person would strive to achieve in his lifetime. Instrumental values refer to the preferred modes of behaviour or means to achieve desirable ends. These are the medium for attaining terminal values.

Organisational values are certain core values that are so deeply ingrained that they guide company's actions and practices to establish organisational culture.

Work values are described as the concept of what is preferable from the given alternative mode of conducts and end states with respect to one's work. In simple words, it can be described as individually held conceptions of what is desirable and what is undesirable with respect to individual's work activities.

Major source from which an individual can obtain values are: family, society, religion, culture, personal factors, life experiences and role demands. Today due to globalisation, working with people of different culture has become a very common practice. In all multinational organisations you will find executives hailing from different cultural backgrounds. Values differ across the cultures. Therefore, it has become very important for the managers to understand the differences of values across the cultures so that they may be able to understand and predict behaviour of employees from different countries. Hofstede's framework for assessing cultures is the most common approach used to understand the variations of values across different cultures. According to this framework, values of employees vary on six dimensions of culture. These dimensions are: power distance, uncertainty avoidance, individualism vs. collectivism, masculinity vs femininity, long term orientation vs short term orientation, indulgence vs restraint.