Cultural values in organisations: insights for Europe

Lilach Sagiv*

School of Business Administration,
The Hebrew University of Jerusalem,
Mount Scopus, Jerusalem 91905, Israel
Fax: 972-2-6521841
E-mail: mslilach@mscc.huji.ac.il
*Corresponding author

Shalom H. Schwartz

Department of Psychology,
The Hebrew University of Jerusalem,
Jerusalem 91905, Israel
Fax: 972-2-5881159
E-mail: msshasch@mscc.huji.ac.il

Abstract: With the emergence of multicultural workplaces, understanding the impact of national culture on organisations is essential. This paper examines how the values of the society in which an organisation is nested affect the values of the organisation. We discuss three sources of influence: the value culture in the surrounding society, the personal value priorities of organisational members, and the nature of the organisation's primary tasks. We suggest that the societal culture influences organisational values directly and also indirectly through its impact on members' values and on the nature of organisational tasks. Implications for global management in European organisations are discussed.

Keywords: culture; values; cultural values; organisational values; Europe; global management.

Biographical notes: Lilach Sagiv is a tenured Senior Lecturer at the School of Business Administration in the Hebrew University of Jerusalem. In 2005, she spent a sabbatical as a Visiting Professor at the Department of Psychology of the University of Michigan. She received her PhD from the Hebrew University of Jerusalem. She is interested in the role of values at the micro-, meso- and macrolevel. Her current research focuses on cultural dimensions of values of social collectives and their implications for organisations. She is also investigating individual-level values and their implications for individuals in organisations.

Shalom H. Schwartz is the Sznajderman Emeritus Professor of Psychology at the Hebrew University in Jerusalem. He received his PhD in Social Psychology from the University of Michigan-Ann Arbor and has taught at the University of Wisconsin-Madison, Princeton University, and the Hebrew University. He is immediate past President of the International Association for Cross-Cultural

Psychology. His recent work concerns the nature of basic human values and their relations to behaviour and attitudes and the use of values to study cultural similarities and differences. He coordinates an international project applying his theory and methods for measuring values in 75 countries.

1 Introduction

With increasing globalisation and the emergence of multicultural workplaces and markets, it has become essential to understand the impact of national culture on organisations. This paper examines how the cultural values of the society in which an organisation is nested affect the cultural values of the organisation.

Cultural values are shared, abstract ideas about what a social collectivity views as good, right and desirable (Williams, 1970). Cultural values are the broad goals that members of the collectivity are encouraged to pursue; they serve to justify actions taken in pursuit of these goals (Schwartz, 1999). Widely shared norms, practices, symbols and rituals express underlying cultural values (Sagiv and Schwartz, 2000; Trice and Beyer, 1993). Consequently, cultural values play a crucial role in the way social institutions function. Studies of cultural values have focused most extensively on nations (Hofstede, 2001; Inglehart, 1997; Schwartz, 2004). Here we focus on the cultural values of business organisations.

The broad goals that business organisation members are expected and encouraged to pursue constitute the cultural values of that organisation. The norms and practices developed in an organisation reflect its cultural values. For example, Lee (2002) found norms and practices that discouraged help seeking, especially by lower-status employees, in a hospital that emphasised hierarchy values. In contrast, Zilber (2002) found norms that encouraged all members to help one another in a rape crisis organisation that rejected hierarchy. As noted, symbols and rituals also express organisations' cultural values. Symbols such as uniforms, for example, express the importance of hierarchy values. Distinctive uniforms announce relative status or rank in hierarchically oriented organisations such as hospitals and armies. In contrast, identical uniforms worn by all students in some elementary schools are intended to obscure differences of wealth.

How do cultural values develop and evolve? Scholars largely agree that cultural values at the societal level develop in response to basic challenges that are faced by all societies. Societies differ in their responses to these challenges. Their responses constitute the preferred ways to interpret and resolve challenges (Hofstede, 1991; Inkeles and Levinson, 1963; Kluckhohn and Stodbeck, 1961; Schwartz, 1999). Organisations, like all open systems, must cope with two paramount universal challenges: adapting to the external environment and integrating their internal system (von Bertalanffy, 1968; Schein, 1983). Organisations have to adapt to the conditions in their environment (e.g., obtaining the human and material resources needed for their activities, deciding what to produce and how to do so, finding markets for their products). They must also concern themselves with internal integration (e.g., socialising organisation members, managing relations among them and developing optimal decision-making processes). In response to these challenges, organisations develop, often unintentionally, the set of preferences that form their value culture.

To date, there is no agreed upon theory of the cultural dimensions of values for comparing organisations. Schein (1985) offered a taxonomy of value dimensions that distinguish among organisations, but these dimensions have not been studied empirically across a large number of organisations. Cameron and Quinn (1999) developed a 'competing values framework' to describe four types of organisational cultures. In developing their framework, however, they did not consider impacts of the surrounding societal culture. Taking a different approach, Hofstede et al. (1990) studied 20 organisational units from two countries. They proposed six dimensions of practices distinguishing among organisations. More recently, the GLOBE project adapted nine society-level dimensions of values to study leadership in organisations across countries (House et al., 2001).

Like the GLOBE researchers, we view the dimensions of cultural values that distinguish among societies as relevant for comparing organisations. Just as interacting individuals who must cope with the external environment constitute societies, so they constitute organisations. In addition to the challenges that are faced by societies, organisations must cope with their specific tasks, structure and environment. This may produce other cultural value dimensions. To identify and validate such additional dimensions it will necessitate research across many organisations from various sectors, industries and occupations, and across numerous countries. Here, we focus on the cultural dimensions that organisations share with societies.

This paper proposes and explicates three main sources of influence on the cultural values that particular organisations develop: We first discuss the direct impact on organisational culture of the societal culture in which an organisation is nested. We then discuss two additional sources that impact on organisational values, the values of individual members of the organisation and the nature of the organisation's principal tasks. The societal culture influences both of these. We discuss each source in turn.

2   Societal culture

Organisations are nested within societies. The surrounding societal or national culture is an important external influence on organisational culture (Dickson et al., 2000; Hofstede and Peterson, 2000; Sagiv and Schwartz, 2000; Trice and Beyer, 1993). Organisations must gain and maintain a minimal level of approval from society in order to function effectively. Such approval is necessary in order to recruit workers, to obtain material and financial resources and to find markets ready to accept their products. This applies to service (e.g., law firms and universities) as well as to manufacturing (e.g., oil and steel industries) organisations. In the long run, organisations must be able to justify their activity as expressing or at least not contradicting the preferred values prevalent in their society. Otherwise, they face criticism, pressure to change, or even denial of resources. Consequently, organisational cultures tend to develop and evolve in ways that are compatible to some degree with the societal culture in which they are nested.

To examine the impact of societal culture on organisational culture requires constructs to characterise societal culture. Several researchers have proposed dimensions of societal culture (Hofstede, 1980, 2001; the GLOBE project, House et al., 2001; Inglehart and Baker, 2000). We work with a recent approach to cultural orientations

(dimensions) proposed by Schwartz (1999, 2004). It differs in one or more of the following ways from other approaches:

- it derived the cultural orientations from a priori theorising rather than post hoc examination of data

- it designated a priori a set of value items to serve as markers for each orientation

- it used as measures only items tested for crosscultural equivalence of meaning

- it included a set of items demonstrated to cover the range of values recognised crossculturally, a step towards ensuring relative comprehensiveness of cultural value dimensions

- it specified how the cultural orientations are organised into a coherent system of related dimensions and verified this organisation, rather than assuming that orthogonal dimensions best capture cultural reality

- it brought empirical evidence that the order of national cultures on each of the orientations is robust across different types of samples from many countries around the world.

By considering three issues that confront all societies, Schwartz (1999, 2004, 2006a) derived dimensions of values for comparing cultures. The first issue is the relation or the boundaries between the individual and the group. In *embedded* cultures, people are viewed as entities embedded in the collectivity. They are expected to find meaning in life largely through social relationships, through identifying with the group, participating in its shared way of life and striving towards its shared goals. Such values as social order, respect for tradition, security and wisdom are especially important. Embedded cultures emphasise maintaining the status quo and restraining actions or inclinations that might disrupt in-group solidarity or the traditional order.

In *autonomy* cultures, people are viewed as autonomous, bounded entities who should find meaning in their own uniqueness and who are encouraged to express their internal attributes (preferences, traits, feelings and motives). There are two types of cultural autonomy: Intellectual autonomy encourages individuals to pursue their own ideas and intellectual directions independently (important values: curiosity, broadmindedness, creativity). Affective autonomy encourages individuals to pursue affectively positive experience for themselves (values: pleasure, exciting life, varied life).

Organisations located in societies high on embeddedness are more likely to function as extended families, taking responsibility for their members in all domains of life, and in return, expecting members to identify with and work dutifully towards shared goals. Organisations located in high autonomy societies, in contrast, are more likely to treat their members as independent actors with their own interests, preferences, abilities and allegiances. They tend to grant members more autonomy, encouraging them to generate and act upon their own ideas (Sagiv and Schwartz, 2000; Sagiv and Lee, 2006).

The second societal challenge is to ensure socially responsible behaviour that preserves the social fabric. People must engage in the productive work necessary to maintain society rather than withhold their efforts or compete destructively. They must coordinate with others to manage their unavoidable interdependencies. The polar solution labelled cultural *hierarchy* relies on hierarchical systems of ascribed roles to ensure responsible, productive behaviour. It defines the unequal distribution of power, roles and

resources as legitimate (values: social power, authority, humility, wealth). People are socialised to take the hierarchical distribution of roles for granted and to comply with the obligations and rules attached to their roles. The polar alternative labelled cultural *egalitarianism* seeks to induce people to recognise one another as moral equals who share basic interests as human beings. People are socialised to internalise a commitment to cooperate and to feel concern for everyone's welfare. They are expected to act for others' benefit as a matter of choice (values: equality, social justice, responsibility, honesty).

In hierarchical cultures, organisations are more likely to construct a chain of authority in which all are assigned well-defined roles. Members are expected to comply with role – obligations and to put the interests of the organisation before their own. Egalitarian organisations, in contrast, are built on cooperative negotiation among employees and management. Leaders more often use shared goal setting and appeal to the joint welfare of all to motivate members. Members are expected to enact their roles more flexibly and to influence organisational goals (Sagiv and Schwartz, 2000; Sagiv and Lee, 2006).

The third societal challenge is to regulate relations of humankind to the natural and social world. The cultural orientation labelled *mastery* encourages active self-assertion in order to master, direct and change the natural and social environment to attain group or personal goals (values: ambition, success, daring, competence). The polar response, labelled *harmony*, is to accept the world as it is, trying to understand and appreciate rather than to change, direct or exploit. This cultural orientation emphasises fitting harmoniously into the environment (values: unity with nature, protecting the environment, world at peace).

Organisations that emphasise mastery are likely to be dynamic, competitive and oriented to achievement and success. They often develop and use technology to manipulate and change the environment to attain organisational goals. Where harmony is important, in contrast, organisations are expected to fit into the surrounding social and natural world. Leaders try to understand the social and environmental implications of organisational actions and to seek nonexploitative ways to work towards their goals. They may question the legitimacy of technological manipulation of the environment (Sagiv and Schwartz, 2000; Sagiv and Lee, 2006).

In sum, the theory specifies three bipolar dimensions of culture that represent alternate resolutions to each of three challenges that confront all societies: *embeddedness* vs. *autonomy*, *hierarchy* vs. *egalitarianism*, *mastery* vs. *harmony*. A societal emphasis on the cultural orientation at one pole of a dimension typically accompanies a de-emphasis on the polar orientation with which it tends to conflict. As elaborated by Schwartz (1999), certain pairs of cultural value orientations share compatible assumptions. The conflicts and compatibilities among the orientations yield the following coherent circular order of orientations: embeddedness, hierarchy, mastery, autonomy, egalitarianism, harmony and return to embeddedness (see Figure 1, which also locates countries relative to their positions on these orientations). Using data for 76 cultural groups, Schwartz (2006a) discriminated seven distinct cultural regions (see there for details).

2.1 *European cultural regions*

West Europe. The culture of these countries emphasises intellectual autonomy, egalitarianism, and harmony more than any other world cultural region. It is the region lowest on hierarchy and embeddedness. This profile holds even after controlling for national wealth. Compared with other world regions, West European countries share

a broad culture. Still, there is variation within the region. Consider two examples: Greek culture is the least typical – higher on mastery and lower on intellectual autonomy and egalitarianism than the other West European countries. French and Swiss French cultures display a relatively high hierarchy orientation for Western Europe, together with the usual high affective and intellectual autonomy.

East Europe. East European cultures are low on embeddedness and hierarchy compared with Africa, Asia and the Middle East, but higher on these cultural orientations than Western Europe and the USA. Within Eastern Europe, there are two cultural subregions. The Baltic and East-Central states are higher in harmony, intellectual autonomy, and egalitarianism and lower in mastery and hierarchy than the Balkan and more Eastern states.

Figure 1 Coplot map of 76 national groups on seven cultural orientations

2.2 Other cultural regions

English speaking. The culture of the English-speaking countries (including Ireland and the UK from Europe) is especially high in affective autonomy and mastery and low in harmony and embeddedness, compared with the rest of the world. It is average in intellectual autonomy, hierarchy and egalitarianism. The culture in the USA differs from that in other English-speaking countries by emphasising mastery and hierarchy more and intellectual autonomy, harmony and egalitarianism less. This profile points to a cultural orientation that encourages an assertive, pragmatic, entrepreneurial and even exploitative orientation to the social and natural environment. With the exception of the USA, this region is particularly homogeneous.

Confucian. Confucian-influenced countries also exhibit a pragmatic, entrepreneurial orientation. However, this orientation combines a heavy emphasis on hierarchy and mastery with a rejection of egalitarianism and harmony, as compared with other regions. This region emphasises embeddedness more than European and US cultures. Japan is an

exception whose position on the cultural map does not represent it well because its culture does not exhibit all of the theorised conflicts and compatibilities. Compared with the other Confucian-influenced countries, it is higher on harmony and intellectual and affective autonomy but lower on embeddedness. Compared with the worldwide average, it is low on egalitarianism and high on intellectual autonomy and on hierarchy.

Africa and the Middle East.[1] The cultural groups from sub-Saharan and North Africa and the Muslim Middle East are especially high in embeddedness and low in affective and intellectual autonomy. There is a great deal of variation within the region on the other cultural orientations. For example, Iran is high on hierarchy and Egypt low, Cameroon is high on harmony and Ghana low, Jordan is high on Mastery and Egypt very low.

South Asia. The culture in the South Asian region is particularly high in hierarchy and embeddedness and low in autonomy and egalitarianism. With the exception of India's especially high level on mastery, all the groups are culturally quite homogenous.

Latin America. The culture of the Latin American region is close to the worldwide average in all seven orientations. Moreover, excepting Bolivia and Peru, whose populations have been least exposed to European culture, this region is particularly homogeneous culturally.

3   Illustrations for European organisations

The cultural value differences described above and detailed in Figure 1 lead to differences in organisational behaviour across cultural regions. We next discuss examples of such differences in the environmental domain and in the domain of treatment of employees. We also note possible problems such differences may generate when European organisations interact with organisations from other regions – as suppliers, customers or partners.

3.1   Environmental issues

Environmental issues (e.g., water and air pollution, energy consumption and organic products) are of increasing concern to organisations. In societies whose culture emphasises harmony vs. mastery values, pressure on organisations to operate in ways that protect the environment is likely to be great. In societies with the reverse cultural value emphases, organisations are more likely to experience pressure to maximise profits even at the expense of the environment (e.g., seeking the cheapest ways to manufacture and dispose of waste).

West European countries are especially high on harmony vs. mastery values. Consistent with this cultural value orientation, recycling of trash, consumption of recycled and organic products and strict laws regarding industrial pollution and animal protection are widespread (Bardi and Sagiv, 2003). West European organisations engage in more proenvironmental practices compared with organisations in Asia, Africa and North America, where mastery is more important. These cultural value differences may lead to problems. West European organisations may reject genetically modified agricultural products or products manufactured in polluting factories. Conversely, they

may lose out on potential markets if their exports cost more due to environmental considerations.

3.2 Treatment of employees

Official policies in Western Europe seek to protect general human rights more than policies in Eastern Europe do. This is in keeping with the much higher emphasis on cultural egalitarianism vs. hierarchy in most of Western than in most of Eastern Europe (Bardi and Sagiv, 2003). European business organisations are likely to mirror these differences. Thus, West European organisations generally provide more rights and better benefits to their employees, help them more to increase their competencies and fulfil their potential and invest more in career planning and development for employees from underrepresented groups. These organisations, imbued with more egalitarian values, are more likely to accept and even encourage diversity in the workplace and to take into account the needs of the surrounding community and operate in ways that benefit it. When West and East European companies come in contact, these implications of cultural value differences may lead to miscommunication or conflict.

In sum, the cultural values prevalent in the society in which the organisation is nested directly influence its cultural values and therefore, the norms and practices it develops. We discuss next two indirect paths through which societal culture influences organisations.

4 Personal values of organisational members

Individuals do not check their personality at the door when they join an organisation. Some researchers even assert that the "people make the organisation" (Schneider, 1987, p.1). One sense in which they do so is through their personal values. Personal values are trans-situational, desirable goals that guide the way people select actions, evaluate people and events and explain their actions and evaluations (cf. Kluckhohn, 1951; Rohan, 2000; Rokeach, 1973; Schwartz, 1992). Values affect people's focus of attention (e.g., de Dreu and Boles, 1998), the way they interpret information (e.g., van Lange and Liebrand, 1989), the nature of their concerns (Schwartz et al., 2000) and their attitudes, decisions, choices and behaviour (Schwartz, 2006b; Verplanken and Holland, 2002).

Personal value priorities are a product of individuals' unique social experience and distinct heredity. Nonetheless, members of each society exhibit some value similarity. This is because they are socialised in and must adapt to family, educational, legal, media, market and governmental systems whose everyday practices and norms express, to some extent, the same underlying, societal, cultural value emphases. In their daily organisational activities, members communicate their important values and the goals that express them to one another through their ideas, preferences and choices. Members' personal values thereby affect the objectives and goals the organisation adopts, the norms and practices that evolve and the shared perceptions and interpretations of organisational actions.

Individuals influence the cultural values of organisations both intentionally and inadvertently. They promote the values they consider desirable through their deeds – serving as models for others. They influence organisational views of the good and desirable more directly through formal and informal discussions about the nature of

the organisation, proposals about what to seek in new recruits and how to socialise them and praise or condemnation for particular actions. Members also build structures into the organisation that promote their preferred values, by designing practices (e.g., reward systems based on effort, sales or seniority) and physical settings (e.g., open or closed spaces for offices).

Schwartz (1992) identified two basic personal value conflicts. The first is *self-enhancement* vs. *self-transcendence*. Self-enhancement values emphasise pursuing self-interest through controlling people and resources (power values) and attaining success according to social standards by demonstrating ambition and competence (achievement values). These values conflict with self-transcendence values that emphasise serving the interests of others by showing concern and care for those with whom one is close (benevolence values) and showing acceptance, tolerance and concern for all people regardless of group membership (universalism values).

Consider two examples of the influence of the *self-enhancement* vs. *self-transcendence* conflict on the views and actions of organisational members. For those who value self-enhancement, organisational status plays a more important role in determining identification with their organisation than for those who value self-transcendence (Roccas, 2003). Moreover, people who value self-enhancement tend to have a 'career' orientation, viewing their jobs as a stepping stone; those who value self-transcendence tend to have a 'calling' orientation, viewing their job as a vocational mission (Gandal et al., 2005).

Self-enhancement values are compatible with cultural mastery and hierarchy orientations. When shared by most organisational members, self-enhancement values are likely to generate and/or support a culture that encourages individuals to assert themselves, to work hard, to set high goals for themselves and for the organisation and to build and accept a hierarchical structure that imposes roles and obligations. Self-transcendence values, in contrast, are compatible with cultural egalitarianism and harmony orientations. When organisation members share an emphasis on self-transcendence values, the organisation is likely to develop egalitarian norms and practices that encourage tolerance, cooperation, mutual support and concern for the surrounding community. The organisation is more likely to actively avoid damaging the environment and to hesitate before adopting technologies whose consequences are not fully clear.

The second basic personal value conflict is *openness to change* vs. *conservation.* Openness to change values emphasise autonomy of thought and action (self-direction), novelty and excitement (stimulation). These values conflict with conservation values that emphasise preserving the status quo – commitment to past beliefs and customs (tradition), complying with social norms and expectations (conformity) and ensuring safety and stability (security). Compared with those who emphasise conservation, organisational members who value openness to change tend to seek autonomy in their work (Ros et al., 1999). They more readily adopt new technologies (Beyth-Marom et al., 2003; Sagiv et al., 2005), and express greater willingness to accept voluntary organisational change (Sverdlik and Oreg, 2006).

Conservation values are compatible with cultural embeddedness, whereas openness to change values are compatible with affective and intellectual autonomy. When organisational members share an emphasis on conservation values, the organisation is likely to involve itself in members' lives both within and outside the organisational setting and to expect members to identify strongly with it. If many organisational

members emphasise openness values, in contrast, an organisational culture emphasising autonomy is likely. The organisation is then more likely to encourage members to generate independent and novel ideas, to innovate in crafting their tasks and even, to some extent, to pursue their own agendas.

All members do not influence the cultural values of their organisation equally. Researchers note the special impact that the founder(s) have on an organisation's cultural values (Gordon, 1991; Schein, 1983; Schneider, 1987; Schneider et al., 1995). This impact is based on a combination of status, seniority, experience and, often, charisma. The assumptions that founders bring with them, their personal actions and decisions and the organisational practices and systems they put in place express their own values and thus affect the emerging cultural values of the organisation.

Other factors, both organisational and personal, affect the probability that individual members will influence the cultural values of their organisation. Organisational factors include, for example, the *size* and *age* of the organisation. The smaller and the younger an organisation, the more influence individuals are likely to have. Individuals who join mature organisations face long-established norms and practices that are resistant to change. Values, norms and practices in younger organisations may still be in a state of flux and hence be more susceptible to the influence of the values of their members. Also important is the *strength of organisational culture*, that is, the degree of consensus regarding the values central to the organisation and the compatibility of these values with organisational norms and practices (Schein, 1992). The stronger the organisational culture, the less individuals can influence it (Chatman, 1989; Thompson et al., 1996).

Personal factors that affect individuals' ability to influence organisational values include the individual's *status*, *experience* and *seniority* (Gordon, 1991; Schein, 1992). Leadership positions enable individuals to communicate or even impose their views of what ought to be (e.g., dress codes, reward systems, office allocation and promotion protocols). With experience and length of service, organisation members can gain knowledge about prevailing organisational values. They also gain a better understanding of the vested interests these values serve and of the constraints against changing them. This too may increase the influence of personal values on the organisational culture.

5   The organisational task

A third source of influence on the cultural values of organisations is the nature of their principal tasks. Characteristics of the task require particular ways of organising activities both within the organisation and in relation to the environment. Organisations emphasise values that enable them to motivate members to engage in essential activities and to justify these activities both to their members and to the environing society. For example, most cellular telephone companies evolve values of competitiveness because they motivate and justify the aggressive approach to marketing required to survive and maintain market share in their business. In contrast, prevailing values in utility companies may be less competitive because they often operate in environments with few competitors.

Societal culture shapes organisational tasks indirectly through the government policies, legal, media and market systems that express it. These policies and systems are the context for the challenges organisations face. For example, access of the population to the internet, partly determined by societal emphases on autonomy vs. embeddedness

cultural orientations, dramatically affects the work of public relations firms. Where most individuals have easy access to the internet, public relations firms must respond very rapidly. Where access is limited, response time can be much slower. This influences the types of employees the firms seek and the technologies they use.

Two other factors that shape organisational tasks are the industry to which the organisation belongs and the dominant professions in the organisation.

Industry. Organisations are nested within industries. The task environment of the industry substantially influences the cultural values an organisation develops, because different tasks pose different basic challenges. Consider, for example, high- vs. low-tech firms (Gordon, 1991). Their task environment differs in the speed and amount of change they confront. High-tech firms (e.g., computers) must cope with dynamic and novel markets where technology and preferences change quickly, requiring rapid adaptation (Riggs, 1983). Firms in the high-tech industry tend to foster initiative, action taking and achievement striving and to encourage an entrepreneurial approach (Rogers and Larsen, 1984). Thus, these firms develop a value culture of affective autonomy and mastery. In contrast, low-tech firms (e.g., utility companies) operate in static and reliable markets, where technology and preferences change very slowly. Firms in this industry encourage stable modes of operation, routine solutions to problems, protection and retention of personnel and interdependence among members. Thus, low-tech firms develop a value culture of embeddedness.

Dominant occupations. The tasks of an organisation determine the professions and occupations from which its members are drawn. Healthcare organisations require medical and paramedical employees; investment banks require economists and financial experts. Each occupation brings with it a characteristic set of personal values that is likely to influence the cultural values developed in the organisation (Thompson et al., 1996).

Knafo and Sagiv (2004) categorised 32 occupations according to the Holland (1985) typology of occupations that groups occupations by task similarity. Within each occupational group members tend to have similar personal values. Those in social occupations (e.g., psychologists and social workers) emphasised values expressing concern and care for others. Organisations where these occupations dominate (e.g., social-service departments, mental-health clinics and counselling centres) are likely to develop a value culture of egalitarianism. Individuals in enterprising occupations (e.g., managers, financial advisors and bankers) emphasised self-enhancement values. Where these occupations dominate (e.g., banks and accounting firms), a value culture of mastery is likely to develop. Finally, those in administrative occupations (termed 'conventional' by Holland (1985), e.g., secretaries and bookkeepers) emphasised conservation values. Where such occupations dominate (e.g., a public administration office), a value culture of embeddedness is likely to evolve.

The impacts on evolving cultural values of the dominant occupations in an organisation and of the task environment of its industry may conflict. Consider, for example, public social-service departments in which social workers, who emphasise concern and care for others (Knafo and Sagiv, 2004), are the dominant occupation. The social-services industry suffers from shortages of resources, potential violence and resistance to change. Thompson et al. (1996) studied three social-service units in England, and observed that many employees experienced stress, probably due to these characteristics of the industry. Stress was greatest in departments where supervision,

acknowledgement of effort and support were missing. The high stress in those departments likely resulted from the gap between the professional values of social workers that call for an egalitarian culture and the absence of egalitarian practices of social support.

6 Implications for global management in European organisations

We have discussed three sources of influence on the cultural values of organisations: the value culture in the surrounding society, the personal value priorities of organisational members and the nature of the organisation's primary tasks. We suggested that the societal culture influences organisational values directly and also indirectly through its impact on members' values and on the nature of organisational tasks. Reciprocal influences are also likely: individuals and tasks may, in turn, affect the societal culture. We speculate, however, that this direction of influence is weaker.

The growing reality of globalisation creates ever more multinational business environments. More and more organisations deal with multinational customers, suppliers and competitors. Indeed, organisations themselves become global and multinational, with culturally mixed workforces. European managers must take this cultural diversity into account. As noted, compared with the rest of the world, West European countries emphasise intellectual autonomy, egalitarianism and harmony more and embeddedness and hierarchy less. Because of cultural diversity, managers may often encounter individuals who differ from them in their thought processes, perceptions and interpretations of the world, preferences and cherished values. Some organisational members may question the most basic assumptions underlying managers' decisions and style. Members from non-European backgrounds may reject managers' assumptions regarding desired relations between management and employees, preferred structuring of work units, and effective ways to select and/or socialise organisational members.

Cultural diversity may lead to misunderstandings and miscommunication among organisational members and between organisations that try to collaborate. Information about the specific differences between cultures on each of the seven orientations discussed here takes us beyond the simple recognition of the reality of cultural differences. It is useful to know that a problem has arisen because of different assumptions about how to elicit cooperative action (hierarchy vs. egalitarianism) or about the desirability of cultivating individuals' unique capacities and interests (embeddedness vs. autonomy). When value-based differences in sense making are acknowledged and understood by organisational members, they can develop more effective organisational mechanisms and systems to cope with and work out these differences.

Some European managers might prefer to avoid the difficulties of working with cultural diversity by concentrating on 'local' European markets. But even European countries exhibit cultural value diversity. East as compared to West European countries emphasise embeddedness and hierarchy more and egalitarianism and autonomy less. Anglo countries, such as Ireland and the UK, emphasise mastery more and egalitarianism and harmony less than most other West European countries. Although a global perspective suggests that West European countries are culturally homogeneous in their value emphases, a closer perspective reveals considerable variation. For example, mastery values are more important in Greece and Portugal than in Norway, Finland and Spain; affective autonomy is more important in France and Switzerland than in Italy.

Thus, diversity in cultural values is likely to challenge even organisations that limit their activities and membership to Western Europe.

Cultural diversity is a challenge and a source of problems for organisations; but value heterogeneity also brings with it opportunities and advantages. Greater creativity, flexibility and more varied resources to cope with changing environments are but a few of the possible advantages of a value-diverse organisation. Mapping value-based cultural differences and understanding their implications for potential conflicts within and between organisations is a crucial first step towards developing ways to cope with and take advantage of value heterogeneity in organisations.

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Note

[1]Excluding Israeli Jews and Turkey.