



Universiteit
Leiden
The Netherlands

Value congruence in a multinational corporation: Is alignment of values between individuals and organizations a universal maxim for Human Resource management?

Zessner, D.H.

Citation

Zessner, D. H. (2017, June 29). *Value congruence in a multinational corporation: Is alignment of values between individuals and organizations a universal maxim for Human Resource management?*. s.n., S.l. Retrieved from <https://hdl.handle.net/1887/51107>

Version: Not Applicable (or Unknown)

License: [Licence agreement concerning inclusion of doctoral thesis in the Institutional Repository of the University of Leiden](#)

Downloaded from: <https://hdl.handle.net/1887/51107>

Note: To cite this publication please use the final published version (if applicable).

CHAPTER 6: Conclusion

"Don't raise your voice, improve your argument."

-Desmond Tutu -

6.1 Overall Conclusion

The central aim of this dissertation was to examine the relationship between value congruence and emotional exhaustion, work engagement, affective commitment and productivity of employees working in a multinational company. It thereby zoomed in on the effect of individual-level values, as well its dimensions, on the employee outcomes as well as the moderating effect of individual-level values, and its dimensions, on the relationship between value congruence and outcomes. The results indicate that value congruence cannot be considered a universal maxim for human resource management. While individual values (and its dimensions) are not associated more strongly with emotional exhaustion, work engagement, affective commitment or productivity than value congruence, the effect of value congruence on these outcomes depends on (is moderated by) the level of individual values (as well its dimensions). Moreover, when exploring the effect of individual values (dimensions) in a multinational perspective, the effect of individual values appears to vary between national locations. This study, therefore, concludes that in a multinational context the concept of value congruence should receive research attention at the more granular level.

A key finding of this study is that individual-level values are not associated more strongly with the outcome variables than value congruence. Yet, the study also found a strong association between individual-level values and work engagement, while no relationship was found between the latter and value congruence. Further analyzing this finding indicated that individual-level values moderate the relationship between value congruence and the outcome variables, such as work engagement, especially when these individual-level values had medium or high levels of importance for employees. This thesis thus shows why individual-level values deserve special attention in the study of the relationship between value congruence and positive organizational outcomes.

Based on the results of a factor analysis, the study has identified three primary dimensions of value congruence (i.e., task-focused values, people-focused values, and result-focused values). Each of these value dimensions are associated differently with

work engagement, emotional exhaustion, organizational commitment and employee productivity. It was also found that congruence within specific value dimensions is stronger associated with the outcome variables than value congruence as an aggregate construct. In particular, the value congruence dimensions task focus, people focus, and result focus were found to be positive related to affective commitment and productivity. However, people focus was also found to be negatively associated with emotional exhaustion. Through another factor analysis four dimensions of individual-level values were also found (i.e., openness and change, ethics, a task-related focus, and quality). The study found, except for ethics, that all dimensions of individual-level values are significantly associated with work engagement, emotional exhaustion, affective commitment and productivity.

The thesis has also explored the influence of location on the relationship between value congruence respectively individual values, including its dimensions, and the outcome variables. Distinct effects were observed per national company branch. For example, in Germany, the Czech Republic and Brazil individual values, not value congruence, were found to be positively associated with work engagement or productivity. Also, individual values, not value congruence, were found to be negatively associated with emotional exhaustion in Germany and China. Similarly, it was found that in Brazil and Germany individual values had a significant negative effect on emotional exhaustion frequency. Yet, for employees in Italy more value congruence indicated a decrease in emotional exhaustion frequency. These findings suggest that, in a multinational operating context, value congruence may not be a universal maxim for higher levels of organizational performance throughout the whole company.

6.2 Contribution to the Value Congruence Literature

Bao, Dolan and Tzafrir (2012) observe that the literature on value congruence is highly fragmented. Different methodologies, methods, and theoretical notions are utilized to determine the impact of value congruence on a specific outcome. There is no single or dominant paradigm. In this context, the present study aims to contribute to the literature by examining the impact of value congruence and individual-level values on four employee-level organizational outcomes in a multinational context. The importance of this study derives from its empirical investigation of the relationships between value congruence and work engagement, emotional exhaustion, organizational commitment

and employee productivity, while accounting for the moderating effect of individual-level values and dimensions, on these relationships.

This study confirms previous findings and adds new knowledge to the literature by examining four outcome variables not previously investigated, such as emotional exhaustion, work engagement and productivity. This study refines the understanding of the impact of value congruence on the outcome variables, such as emotional exhaustion which is analyzed in respect to the dimensions frequency and intensity, and examines under-researched outcome variables, such as employee productivity. The empirical findings with regard to the effect of the different value dimensions on the outcome variables support the conclusions of Amos and Weathington (2008), Edwards (1993; 1994), and Finegan (2000) who argued that value congruence as a predictor of organizational outcomes is distinct per value congruence dimension.

This study also explores whether the relationship of value congruence and outcomes variables varies per national branch. Likewise, these national contexts have been found to influence the association between individual-level values and outcome variables. Thus, the additional value of this study lies in its investigation of multiple national contexts for the effect of value congruence and individual-level values on work engagement, emotional exhaustion, organizational commitment and employee productivity. Since this empirical study has examined the associations between value congruence dimensions and individual-level value dimensions on organizational outcomes and the moderating effect of individual-level values and their dimensions on the relationship between value congruence and the outcome variables, it also makes a significant contribution to research on emotional exhaustion, work engagement, organizational commitment, and worker productivity (Bakker & Bal, 2010; Crawford, LePine, & Rich, 2010; Gorgievski et al., 2010; Halbesleben & Wheeler, 2008; Mone et al., 2011; Saks & Gruman, 2011).

6.3 Limitations of the Research

Whereas the findings shed new light on the link between different value constructs and individual/organizational outcomes in a multinational organizational context, there are several limitations associated with this study.

First, the researcher was fortunate to have an extensive network available when conducting the research. In fact, the support the researcher received from many people

was indispensable and allowed the project to succeed. However, the extensive nature of the investigation also limited the control of the researcher with regard to the questionnaire distribution process. Thus, the researcher depended on the local Human Resource departments to distribute the questionnaires. This may have affected the response rate negatively in some locations. This may be one of the reasons why the number of participants from Poland was low; in fact, the number was too low to allow for a general statement regarding the culture at the Polish site. The attempt to extend the survey to other locations in Poland within the same company was not successful due to a high degree of restriction on the participation of management and employees in this survey. As a result, the sample sizes in the UK, Germany, Italy, Poland, the Czech Republic, China, and Brazil were not equal. For example, in Poland there were only 11 participants, whereas China had more than 100 respondents.

Second, the total number of questions in the survey amounted to more than 70. This may have been too high a number, and could have caused the participants to lose interest in responding. It is well known that lengthy questionnaires can increase the lack of response and interest among the respondents (Schaufeli, Bakker & Salanova, 2006). Furthermore, the questionnaire included some repetitive elements and this might have made it demanding for participants to respond to the questionnaires. In addition, the survey was conducted during a difficult economic situation at several locations, which may have influenced the rating of some values. Research indicates that the economic situation has an impact on the endorsement of materialistic as opposed to post-materialistic values (Inglehart et al., 1998). The same reasoning may be applied to the different sites in the present study. At a site experiencing a major economic downturn, the employees may have rated the importance of particular values differently (perhaps focusing more on materialistic values) in comparison to employees located at a site with an economically healthier situation.

Third, participants were all employees of the same company. Different locations were included in the survey assuming that responses from the respective locations were representative of the national culture. The findings, with regard to comparing national cultures, however, need to be approached with caution as the analyses are not as deep and complex as are those in regular cross-cultural investigations. Moreover, the response rate per location (combined with the already large size of the questionnaire) may have limited the cross-cultural conclusions that can be drawn from the present study.

Fourth, hierarchical differences between employees were disregarded, with data surveyed from all levels including managers and team leaders. Demographic data such as age, service time, years in the position, gender, and religion were also not considered in the analyses. In some locations, participants' average ages and service times were greater than were those of participants in other locations.

A final limitation to be mentioned here may stem from measurement. There was an imbalance in the number of items describing emotional exhaustion "frequency" and "intensity" (measured via nine statements), engagement "frequency" and "intensity" (17 statements), affective commitment (eight statements) and productivity (five statements). Thus, the number of statements that measured engagement was nearly double the number of statements for the other constructs. In addition, the dimensions "intensity" and "frequency" for emotional exhaustion and engagement could have been limited to one dimension. This may have confused the respondents.

In sum, the range of possible limitations and shortcomings related to this study can be summarized into the following main points. First of all, the scope of the research can be criticized for being too broad. This paper attempted to examine a broad set of individual (organizational) outcomes and their relationship to value congruence and individual values within the scope of a single study. In particular, the inclusion of the role of culture in the variables was compromised and did not allow for an in depth analysis per nation. This limitation was enlarged because of sample size limitations. Secondly, primary data were collected solely via questionnaires. The essence of value congruence in organizations and related issues can be described as qualitative in nature. However, an attempt was made to analyze these issues via quantitative methods, thus compromising a deeper understanding and discovery of 'hidden' values to a certain extent. From this perspective, primary data that were more accurate and relevant could have been generated had the application of the questionnaire in this study been accompanied or preceded by a qualitative method of data collection and analysis, such as interviews or focus groups.

6.4 Directions for Future Research

The present research was conducted to examine the use of the concept of value congruence for HRM practices in a multinational company. Although greater value congruence was generally found to be associated with stronger performance on various

measures, the research foremost showed the complexities of applying the notion of value congruence in a multinational business environment. The present research consisted of an extensive research effort with survey research conducted in different parts of the world, and with a substantial number of participants. Nonetheless, in order to fully grasp the complexity of the relationship between value congruence and performance in a multicultural company, further research could provide essential further insights.

First, the present research could be complemented by research that takes a similar approach, but that then uses more of the variables, parameters, and resources under investigation. This means more countries to be investigated, countries that are located in more regions in the world, research conduction in more industries than merely the automotive industry that was investigated in the present dissertation, and more participants. The present findings show important differences in the light of theoretical debates regarding value congruence, but the selection of countries, region, industry, and participants, may impose constraints on the generalizability of the present findings to international HRM in general. Further research could effectively deal with the limitation of the present research.

Secondly, the present research addressed the notion of culture by comparing participants from different countries who all work for the same company. This is a practice that has been used before, for instance in the classical work by Geert Hofstede on cultural dimensions. However, differences between workers from different nations do not necessarily reflect differences in culture between these workers. Moreover, differences between national groups do not necessarily imply differences between cultural groups. It would be really essential for the understanding of the way in which culture impacts the relationship between value congruence and performance to have an a priori measurement of cultural variables that could potentially be identified as the explanations for observed differences between cultures. For instance, in the present research we observed that in some countries, individual values were found to more strongly interrelate with performance than value congruence whereas in other countries the link between value congruence and performance was stronger than the link between individual values and performance. It has been suggested in this dissertation that the cultural dimension of individualism/collectivism may in part explain such differences in the effects of value congruence versus individual values. It may very well be that in individualistic cultures, individual values have a greater impact on performance than

value congruence whereas in collectivistic cultures, value congruence may have a greater impact on performance. Here, further research that includes measures of individualism/collectivism can help to clarify.

Thirdly, in combination with culture, or separately, further research effort should also be invested in the exact dimensions that separate one form of value congruence from another. The present research can be considered an important step in showing that the extent to which value congruence impacts performance depends on the specific dimension on the basis of which value congruence is assessed. But this is just a first step. Further research should be invested in the identification of the exact value dimensions on which value congruence affects performance. Again, it may very well be that these exact dimensions are culture-specific: Whereas one dimension of value congruence may be particularly strongly associated with performance in one culture, it may be another dimension that could be particularly strongly associated with performance in another culture. This is another area of potentially fruitful further research.

6.5 Recommendations for Practice

The study may provide some valuable insights for business leaders, particularly those of multinational companies, regarding ways of changing behavior and attitudes to create a high-performing workforce by understanding the role of individual values and value congruence. In particular, this is important for the different (stages / tipping points in the) life cycles of growing multinationals, for example:

a) Cycle of Change

More than ever organizations are confronted with multiple challenges like, the need to:

- change business vision and strategy;
- merge the current organization;
- turn-around the business;
- restructure; or
- spin-off.

Consequently, this change may require a re-definition, modification or adjustment of the actual organizational values at particular or all national branches. It might also be that employee's own values are being influenced by this change and that new guiding principles are needed when taking actions or decisions in the organization.

b) Cycle of Stabilization

After the completion of a change process a multinational company moves into a cycle of stabilization. Several factors, such as demographic change, can however negatively affect the cycle of stabilization, for example, due to changes in:

- age;
- gender;
- religion;
- cultural team patterns.

In other words, individuals from different backgrounds and socio-cultural groups bring their own values into the work place and influence the current work processes.

c) Cycle of Improvement

Following the cycle of stabilization, the multinational company will need a highly motivated, engaged and committed workforce to develop its competitive advantage and support the ongoing improvement of the business units. At this stage it will be important to assess to which degree individual values or value congruence, or their respective dimensions, in the context of a national branch, can best improve behavior and attitude.

The framework below (see next page) illustrates how the findings of this study can be used in practice to influence employee behaviors and attitudes positively in a multinational organization. It attention to the five value dimensions found in the empirical study which each affect employee emotional exhaustion, work engagement, affective commitment and productivity in a multinational company differently. This provides a starting point for implementing HRM systems that enhance organizational effectiveness and support the development of a value driven multinational organization.

Five value dimensions that shape the effectiveness of a multinational organization



As it was observed that in some countries individual value dimensions were associated more strongly with employee behavior and attitude than value congruence dimensions, the framework also enables a multinational to look how HRM systems may be tailored to the cultural specific needs per national branch.

For example, participants of the German branch showed a strong association between the individual value dimension 'Openness and Change' and the employee outcomes emotional exhaustion, work engagement, affective commitment, and productivity. In terms of a specific HRM system, openness and change would require:

- (the building of) an environment of being open for new ideas, processes, concepts and in which it can be allowed to contribute to organizational changes;
- a leadership style that encourages people to think out-of-the-box, to adapt when a business situation has changed but also to allow employees to do things differently;
- organizations to care. Caring for employees, for the environment, or minorities.

Yet, for the participants of the China branch emotional exhaustion, work engagement, affective commitment and productivity was highly associated with the individual value dimension 'Quality', which would require to:

- focus on Quality in regard with systems, processes and services;
- deal with effective utilization of resources.

In addition, worthwhile to highlight from the results is the alignment between individual values and organizational values on task related value items. 'Task Focus' is one of the few value congruence dimensions that is associated with employee commitment, except for participants based in the Czech Republic, the UK and Brazil. Affective commitment is the most important individual outcome for organizations as it implies that people are not only loyal but also emotionally attached to the multinational organization. Such task focus would require to:

- design meaningful jobs with visible outcomes;
- provide constructive feedback;
- apply different skills and knowledge;
- give freedom and independence in scheduling owns' job.

Thus, through designing, re-designing, applying and implementing appropriate HRM systems that support value dimensions to become alive it may be possible to put theory into practice. These systems should comprise methods to attract, select, develop, compensate, retain, reward, award people, and to develop employee and team relationships. However, it is important to note that there may be no standard recipe or textbook about which HRM system to implement, or which existing system to adjust. It may well depend on the industrial, national or cultural context a multinational company operates in. Moreover, it will be very important to have HRM systems that are flexible and adaptable to suit best approach, in particular in times when business units are under serious pressure to constantly change and to 'turn around'.

In sum, the key practical message of this dissertation is that in a fast changing world multinational companies should consider value dimensions on both the individual and the congruence level. This will provide a better understanding of what HRM system is most appropriate to influence employees' behaviors and attitudes at the various national branch and business unit levels. Using identical value dimensions across the whole multinational company may also allow for cross-cultural comparisons and other individual-level data analyses.