

Research on the Impact of Internal Values of Employees to Organizational Culture and on its Diagnosis Frameworks

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Abstract

This research aims to analyze the impact of internal values of individuals within an organization to its organizational culture, and to find better ways to diagnose organizational cultures more effectively and to better manage organizational changes.

Some case studies were included to test the feasibility and effectiveness after new conceptual frameworks were suggested through theoretical deductive and inductive reasoning.

Cultural studies have been rooted in anthropology since the 19th century and their perspectives on culture are characterized as “Who we are”, a concept of identity of people. Contrary to this, studies on organizational culture are mainly rooted in sociology and management science whose perspectives are characterized as “What we have”, a concept of asset of the organization.

Confusion is inevitable as both paradigms use the same terminology “values” in

different perspectives. As a way of differentiating those different perspectives, the adjective “internal” on the former, and “organizational” on the latter, is utilized in this study.

Internal values should be considered constants rather than variables because they are formed in one’s childhood and enduring for life. They can be different one another but cannot be judged right or wrong according to cultural relativism of this paradigm.

Organizational values are “common practices and norms shared within an organization” which can be changed over time and judged right or wrong in strategic perspectives as their *raison d’être* is contributing to the success of the organization.

Through the history, many researchers have explored the ways to categorize and measure cultural values that are invisible and difficult to recognize. Hofstede’s VSM(Values Survey Module) and Inglehart’s WVS(World Values Survey) are reliable methodologies that indicate comparative positions of national cultures in the world, with the latter more about changes over time.

The 5 dimensions of VSM can be used to measure cultural values even on the lower levels than the national culture, as far as the values were learned in one’s childhood in such subcultures as regional culture, religion culture, family culture etc. As all these cultural values on different levels are overlapped in one’s mental programming, shaping a unique value system for each person, the application of those dimensions can be extended to the individual level revealing personal culture profiles.

Hofstede’s CWQ(Culture in the Workplace Questionnaire) applies those 5 dimensions on the individual level to provide personal culture profiles, which was originally developed as a heuristic device. However, research at ITAP (Bing and Dougherty) has implicated a correlation between the CWQ and national cultural values.

CWQ measures internal values of each person, and furthermore the composition of those values in an organization. The results of the CWQ in an organization can indicate what the sum of individual cultural averages is but not the organizational values.

The internal values work like magnetic field or gravity with potential impact on the organizational values. Each dimension could potentially influence positively or negatively toward the organizational values depending on the management system. Each individual's embedded work-styles in his/her internal values would be exerted in complex dynamics with social norms and assumed norms of the organization.

Those embedded work-styles can be specified in 10 categories by intersecting internal value dimensions, and this new framework was tested by 3 case studies with a multinational group in an MNC, a Korean group in an MNC, and a Korean group in a Korean firm respectively, effectively satisfying their objectives.

The findings confirmed that there were potential challenges of management due to the internal values of employees. The effectiveness of competency models and matrix system was found potentially flawed, and some alternative solutions were identified such as re-defining competency models for local adaptation.

New frameworks are suggested linking the internal values framework to others; A Culture Map framework integrating both the internal values and organizational values, and a Triangle Model integrating both the Culture Map and a Strategy Map.