Harmonization of Organizational Culture Values and Personal Values in Public Sector

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Abstract: The aim of the research is to find out thoughts and opinions of employees working in Latvian public sector towards organizational culture values, to provide assessment of conformity of organizational culture values and personal values. The developed hypothesis has been tested on 939 individuals working in the public sector, whose age varies from 22 to 63, and who work in Ministry of Agriculture Industry Portal. The obtained data have been processed based on the research results and using cluster analysis with the aim to analyse and study cultural values of different organizations and management of personal values. Findings: consistency and conformity of personal values and values of the organization allows determining the level of employees’ support and acceptance of organizational values, thus, determining whether the set direction of development is sufficiently supported by employees, as well as allows assessing organization’s willingness to change and level of organizational culture in general. In its turn, differences and inconsistency between personal and organizational values warn the organization of the necessity to introduce organizational, structural changes, sometimes, reflects the need to reconsider organizational goals, priorities and values. Originality/value – research of personal and organizational values of employees working in Latvian public sector by applying R. Barrett’s “The Seven Levels Model of human consciousness”.

Keywords: organizational culture, personal values, values of the organization, adult education.

Introduction

Organization is an integral part of the modern society and a person is the main value both whether the organization works for private benefits and goals or performs public functions. The achievement of goals of any organization is ensured by all the people working for the benefit of an organization and at the same time for their own personal good. Setting and achieving targets of an organization is mainly dependent on management competences and ambitions, in its turn staff is a limiting factor in achievement of the set goals. Therefore, it is essential to comprehend not only employees’ workability and professionalism for the benefit of the organization, but also, be able to create conditions which would allow employees to be interested in long-term work for the organization and collaboration in both achieving its goals and satisfying personal priority needs.

The last decade of the 20th century and the beginning of the 21st century represents the time of essential and rapid changes, when more and more attention has been paid to the employees’ role and place in the organization, cultural resilience and development of value-oriented organization. Organization, which is unable to adjust to the changing market conditions, can not maintain sustainability under the long-term pressure conditions. Such organizations fail to lead markets and are destined to offer and produce the simplest products and service. Meanwhile, introduction and implementation of technological, structural, personnel competences are impossible without alignment and approval of values and norms. I. Eshenvalde (2004) notes that the process of cultural changes is complicated and long, as values get harmonized by employees’ beliefs, motives and needs, which in turn form personnel’s “soft” competence part which is hard to change in the future. However, in order to understand what exactly helps or impedes the organization to become value-oriented, it is necessary to research and analyse both personal and organizational values. Value-oriented organizations represent integrity, decrease the level of staff irrelevance and reflect the development perspective of the organization. Therefore, the present research “Harmonization of organizational culture values and personal values in public sector” focuses on analysis of the situation in the organizations of public administration.

The following techniques have been used in the research: analysis of theoretical literature, methods of theoretical research: theoretical analysis, content analysis, modelling, survey which is based on R. Barrett’s (Barrett, 2006) “The Seven Levels Model”, analysis of the obtained results applying the method of statistical data processing, cluster approach.

Assessment of theories on organizational culture resulted in the choice of R. Barrett’s (Barrett, 2006) “The Seven Levels model”, which is best suited for analysis of organizational culture values of public
sector employees and became the basis of survey. The survey polled both employees and managers, thus obtaining bilateral vision of the issue. The obtained results lead to conclusions and recommendations on the way how to use the research results for assessment of organizational culture. Statistically processed data of the research results and tests made it possible to study and analyse the cohesion of organizational values and personal values.

**Research question:** How do employees of the public sector perceive organization and to what extent do they care about the goals set by the organization and their achievement? The relevance of the value research is also stressed by the opinion expressed by the European association for People Management, emphasizing that value-orientation is connected with the individual harmony of employees, further subordinated by harmony in the organization. Therefore, administration has to promote balance of personal and organizational values, as well as work for emotional cooperation between employees and administration. Besides, leaders have to be devoted to the vision, mission, values and conduct of the organization and be an example of unity of words and actions (Barrett, 1998). Currently employees are primarily oriented towards the development of their personality rather than development of the organization, therefore employees do not associate themselves with one life-long working place anymore. This substantially changes employees' needs and type of work relations.

**The aim of the research** is to find out thoughts and opinions of employees working in Latvian public sector towards organizational culture values, to provide assessment of conformity of organizational culture values and personal values.

**Methodology**

Culture can be viewed as one of the subsystems of an organization along with technological, administrative and other subsystems, which fulfil the function of adapting organization to the environment and promoting employees' identification with the company. However, the present article views “organizational culture” as a quality of an organization, which is a set of behaviour, values and myths, distinguishing one organization from the other one. State administration as organizational culture has been researched not according to economy terms, but from the value perspective, which reveals subjective view of organizations.

Organizational culture has been surveyed by different well-recognized scientists (Cameron, Quinn, 2006; Kets de Vries, 2009; Armstrong, 2003; Barrett, 2006), however, the in-depth study of organizational values in the present research is based on “the Seven Levels Model of human consciousness” developed by R. Barrett.

The R. Barrett’s (Barrett, 2006) model is based on the seven stages of psychological development and applies both to all individuals and human group structures—organizations, communities, nations. Each stage focuses on a certain need or a vital necessity relevant for a particular human condition - the first three (lower) levels of consciousness focus on meeting the basic needs, physical survival, physical and emotional safety. The higher three levels (5-7) refer to the “higher” needs and focus on finding meaning of life, world perception and personal expression, commitment and responsibility for the good of society. The fourth level is important as it involves transformation - a shift from personal benefits to common good (Barrett, 2006).

Based on R. Barrett’s “The Seven Levels Model of human consciousness”, the survey has been developed including 55 questions; each question corresponding to one the seven consciousness stages. The first 11 statements refer to the first level – „Survival”, statements from 12 to 18 relate to the second level – “Relationship”, statements 19 - 27 reflect the third level – „Self-esteem”, statements 28 - 34 - the fourth level „Transformation”, statements 35 to 40 refer to the fifth level „Internal Cohesion”, statement 41 to 46 relate to the sixth level – “Making a Difference” and, finally, statements 47 to 55 cover the seventh level – “Service”. All statements have positive context and carry equal weight rated on a five-point Likert scale. The minimum number of points is 55, but the maximum number of points is 275. Originally the survey development involved factor analysis which helped in grouping the statements. Afterwards, with the help of Cronbach’s α (alpha), the statements have been edited and clustered. As a result, out of 55 statements 54 have been classified in 7 groups and each group referred to the specific level. Despite the fact that one statement “organization cares of saving cultural heritage by investing in culture” has not been included in any level, it still remained in the survey. The survey is conditionally divided in two parts. The first part is
developed in the tabular form containing 55 statements; response options offered in a scale form (Likert scale) (from 1 - strongly disagree to 5 - strongly agree), as it is significant and important to compare personal values and values of organizational culture. The second part - the general part includes informative and demographic data on respondents (age, education, work experience). The aim of the research is to find out thoughts and opinion of employees working in Latvian public sector towards organizational culture values, to provide assessment of conformity of organizational culture values and personal values.

In general, the research survey indicates high internal coherence (α is between 0.74 and 0.87). All scales used in the research have a good credibility coefficient. The highest credibility coefficient corresponds to the 5th level “Internal Cohesion”, where α = 0.87. At this level groups cooperate by coordinating all group members’ values and motives with the common vision and values of the group. As a result, develops the internal cohesion, increases efficiency. Summarizing all seven levels, there arises the general level of culture, which determines conformity of consciousness levels of all groups.

Research Participants
In accordance with the aim of the research 939 (n=939) respondents aged 22-63, working in public sector, have been interviewed. Employees of Latvian state institutions received electronic questionnaires with the request to participate in the survey. 939 respondents accepted the invitation. With regard to the level of education, the major part of respondents has Master’s or Doctor’s degree, which amounts to 505 or 53.8 % of respondents. Other respondents have been divided into the following groups based on their level of education: 2nd level of higher education – 286 or 30.4 % of respondents, secondary or 1st level higher education - 148 or 15.8 % or respondents. The gender composition was: 77.9 % female respondents, 22.1 % - male respondents.

Results and Discussion
Description of organizational culture values

From the point of view of key features of an organizational structure, organizations have more similarities rather than differences among each other (structure, process, system of management), however, differences appear with respect to organizational structure. Each organization practices its own culture which depends on many factors.

Business consultant C.B. Handy (2007) is considered the author of the notion “organizational culture”, and according to Ch. Handy culture is a profound belief of an organization on the way to organize work, share responsibilities and power to control and encourage employees. At present, there are 250 definitions of “Organizational cultures”, also called “corporate cultures”. Many of these definitions emphasize some particular characteristic features of organizational cultures. Such scientists (Hofstede, 1980; Schein, 1992; Brown, 1998; Cameron, Quinn, 2006) do not have a common definition of “organizational culture”, however, everyone acknowledges its important role and influence on the ongoing processes in the organization. Some scientists view organizational culture as the basic potential for organization’s life, others (Dalton, 1959; Sayles, 1964; Stewart, 1967a, 1967b; Reddin, 1970; Mintzberg, 1973; Handy, 2007) consider it as an instrument of motivation to encourage the employees to work properly and, thus, to increase the productivity of labor in the enterprise. Further research (Ouchi, 1978) paid special attention to various traditions, customs and rituals practiced in the organization.

E.H. Schein (1985) suggested the most known definition of “organizational culture”, which implies a unity of relatively strong beliefs, values and social norms, which formed and enhanced internal integrity of an organization and adjusted to the surrounding social economic environment.

Further, one of the leading researchers of culture G. Hofstede (Hofstede, Hofstede, Minkov, 2005) mentioned that culture presents collective forms of conduct, thinking and emotional experience. In the analysis of the definition of “organizational culture”, R. Barrett (Barrett, 2006) expresses opinion that “values have to become an integral part of organizational culture”. His research covered the study of values of more than 500 enterprises in 35 countries; he concludes that “value-oriented enterprises are undoubtedly the most successful in the world” (Barrett, 2006).

The study of Management Science considers that cohesion of personal and organizational values ensures long-term organizational culture. Only value-oriented organizations are capable to form and develop
organizational culture, flexible and able to adjust to the changing modern environment, as well as ensure long-term value-oriented work of the organization (Barrett, 2006). Values represent the core of organizational culture and involve organization’s competitiveness in the long term (Hofstede, Hofstede, Minkov, 2005). Therefore, currently, the issue of human resources management process, as well as organization’s building their activity on values, is more topical than ever. Managing human resources is a challenging task, besides it is strategically important to build a connection between the management of human resources and the company management. According to I. Forands (2007), personnel is the main implementer of organizational activity, hardly predictable, as it is guided by different values and difficult to manage “features”. Management of human resources differs from personnel management, for instance, personnel management in general is directed at “lower management level” employees, whereas management of human resources implies special attention to the work of heads of departments, as there is a fundamental meaning in development of organizational culture (Armstrong, 2014). As per R. Barrett (Barrett, 2006), an organization cannot perform at the level of consciousness higher than the personal level of awareness of the heads of organization. Even though the value-based management of the organization is quite innovative, it implies an important idea, which opens wide opportunities for improvement and development processes in the organization. Undoubtedly, in organizational management values enable to consciously create a wished organizational culture (Barrett, 2006). Furthermore, development of organizational culture or changes can become a strategic goal of an organization (Davidsone, 2008).

The source of competitive advantage is powerful organizational culture, this is also proved by the studies conducted in the 70s of the last century, indicating that a successful organization tends to demonstrate high level of culture (Deal, Kennedy, 1982; Peters, Waterman, 1982). The research of 100 world famous organizations reveals that it is exactly organizational culture that is the main determining factor, which distinguishes the best and leading organizations from average level companies (Pfau, Kay, 2002). Nowadays, there are numerous negotiations, presentations at international conferences and books published on the issue of organizational culture being one of the most meaningful sources of competitiveness. For instance, such enterprises as Google, Wegmans Food Markets stand out thanks to their unique and distinctive internal work culture, which is impossible for others to copy.

Organizational culture defines organization’s aesthetic working principles; it implies ways and traditions of work in a particular organization, encouraged and unacceptable ways of work. Researcher of organizational structure E.H. Schein (1992) concluded that organizational culture determines ideology, common value system, which limits desirable and unwanted ways within the organization, behavior norms, system of rewards and sanctions.

In general, values are principles, standards which represent the basis for judgment, action and choice (Van Der Wal et al., 2006). Values are considered a special feature of organizational culture, elusive and directly invisible part of organization, unable to touch and assess, therefore heads of organizations often neglect this significant part (Davidsone, 2008). In the context of organization values represent regulatory guidelines, which promote or restrict the expected work and attitude in the organization (Christensen et al., 2007; Guidelines on National…, 2012).

J.P. Kotter’s (Kotter, 2001) research results reveal that performance results of value-based organizations are much better than in other organizations. C. Argyris (1957) suggests an interesting view of the cohesion of personal and organizational values. In his research, he tries to identify ways to address the needs of both parties - individuals and organizations. The solution is as follows: organizations should adjust their system of values so that employees would feel psychologically healthy and would not experience too much control.

In Latvia organizations started to show interest and form organizational culture only in the 90s of the last century. Even so, at present there are comparatively few studies showing analysis of culture in Latvian organizations. Analysis of organizational culture and its conscious development is much less reviewed than diagnostics of organizational culture type. At present, exactly diagnostics of organizational culture type has found support and feedback of many organizations and is considered a fashionable issue. According to G. Davidsone (2008), analysis of the type of organizational culture presents importance only if it is based on the study of characteristic elements and ways of expression of organizational culture. Many recognized scientists (Harrison, 1972; Handy, 2007; Deal, Kennedy, 1982; Cameron et al., 2014) base organizational culture not on organization’s structural features, but on cultural paradigm features, understanding of human nature, attitude towards dominating values of
organization. Classification of organizational culture is based on values and styles of leadership, therefore emphasizing great importance of values in development of organizational culture.

Organizational values create the basis of organizational management, which may seem remarkable, as in everyday life hardly anyone connects methods and management approach with values. It can be affirmed that every employee has his or her own unique system of values, as well as organization, therefore the influence of individual values on organizational system should not be ignored or forgotten. Values can be defined as criteria of choice of action and assessment of incidents (Schwartz, 2012). Individual values determine personal goals and actions, as well as explain a person’s use of time, efforts and money (Davidson, 2008).

Previously mentioned researcher of organizational culture G. Hofstede (Hofstede, Hofstede, Minkov, 2005) has been studying characteristic features of national cultures since the 60s of the 20th century. At present the research includes 63 countries around the world and various organizations. G. Hofstede (2011) notes that features of national culture can not be automatically equated with characteristic of an organization. However, the most characteristic feature of national culture in the Baltic States - low power distance, strong avoidance of uncertainty, and examples of individualistic societies. The survey on values of Eurobarometer, conducted in 27 European countries, revealed the top 5 choices of Europeans to the question “what values make you happy?”, namely health, love, work, money, friendship, peace, freedom (The Values of Europeans..., 2012).

The values of Latvian residents are declared in such state important documents as preamble to the Constitution of the Ministry of Culture of the Republic of Latvia “Fundamental principles of national identity, civil society and integration policy for 2012–2018” as well as in the document “Sustainable development strategy of Latvia until 2030” (Sustainable Development Strategy..., 2010). These documents state such values as the Latvian language and Latvian cultural space, loyalty to the Western values of democracy, freedom, responsibility, justice, human respect, honesty, family, diligence, human rights, tolerance, civil involvement, religion, creativity, collaboration.

Based on the previously described, it is possible to state that one organization may “house” many different systems of value, therefore the common organizational identity can be considered only if fundamental values of employees and organization coincide, maintain balance and complement each other. When values contradict each other, employees fall in conflict with organizational values, thus arising hidden or open conflicts between different groups’ or separate employees’ values, which may have negative impact on employees’ performance, as well as work of structural units or organization in general.

Respondents have been treated and listed according to respondents’ views on the following statements given and assessed a five-level Likert scale (from 1 to 5, where 5 is the highest point), and then structured according to Barrett’s (Barrett, 2006) “The Seven Levels Model of human consciousness”.

The analysis of “The Seven Levels Models” (Figure 1.) proves that regardless of gender, it is “Relationship within the organization” that has significant impact on organizational culture. Development of relationship in the organization depends on different factors, where the most important factor is “honest and fair attitude of the organization management towards its staff”.

![Figure 1. Model of Consciousness level depending on respondents’ gender.](image_url)
The analysis of the results points out that the Seven Levels division into education levels is relatively equal, therefore makes it possible to claim that regardless of education, employees of the public sector are concerned about harmonious mutual relations and positive internal communication. With regard to the level of attitude awareness, it is crucial to ensure employees' loyalty and cultivate their sense of belonging, whereas managers have to take interest in promoting open communication, mutual respect and recognition of employees' efforts and contribution.

Clustering method has been applied for the analysis of the research results. Clustering represents a method of exploration and dividing data into groups (clusters), which otherwise are not possible to figure out. The task of cluster analysis is to group observations (in the analysed case - respondents) into meaningful subgroups (clusters) depending on the determined factors (Survival, Relationship, Self-esteem, Transformation, Internal Cohesion, Making a Difference, Service). Within one cluster respondents' evaluations are more similar to each other than those in other clusters (Figure 2).

The age of respondents of the 1st cluster group varies from 22 to 63 years old with a relative average of 42 years old, whereas the 2nd cluster group includes respondents aged 46,6 and the third group respondents are 41-year-olds. Variance analysis has been applied (Analysis of variance (ANOVA)) in order to compare the average age of specified cluster groups. According to F-criteria, the observed age differences are statistically significant (F=4.308; p=0.015).
The total work experience of the 1st cluster is 19 years, in the 2nd cluster it comes to 22 years and in the 3rd - 18 years. According to the variance analysis results, these differences are no statistically important (F=1.751; p=0.176). Work experience in the last job which is also the survey target amounts to 8.5 years in the 1st cluster, 10.5 years in the 2nd cluster and 9 years in the 3rd cluster. This data also does not present statistical significance (F=1.6; p=0.204).

The highest level of education is observed in the second cluster, where 82 % of respondents have Master’s degree. The 1st cluster includes 50 % of Master-respondents, whereas the 3rd cluster – 53 % of Masters. According to $\chi^2$ criteria, this difference is statistically significant (Pearson Chi-Square Asymptotic Significance (2-sided) $p=0.001$). There are no statistically important differences of gender composition between groups. Among respondents there were about 70 % of women, classified in clusters at the same ratio.

Classification by posts reveals the following results: the 1st cluster includes 71.9 % of Labourers, 13.3 % of Leaders, and 13.3 % of Deputies. The 2nd cluster is formed of 66 % of Labourers, 14 % of Leaders and 20 % of Deputies. In the 3rd cluster there are 71.4 % of Labourers, 12.2 % of Leaders, 10.2 % of Deputies. However, according to $\chi^2$ criteria these differences are insignificant ($p=0.78$).

The analysis of results based on Clustering enables to conclude that in the organization there exist 3 groups of employees: the first group gives high evaluation to the personal and organizational values in all seven levels. The second group assesses organizational values as average, though the importance of their personal values is also not emphasized. The third group gives average assessment to organizational values, but their own personal values reflect high importance in all seven levels.

Employees of the first group give high evaluation both to credibility of statements and personal importance (ranging from 3.5 to 4.5), however the deviation is not substantial. Considerable difference appears in the 1st level “Survival” and 3rd level “Self-esteem”. Employees of the second group equally assess credibility of statements and importance of statements, except for the 1st level “Survival” and 3rd level “Self-esteem”. Most likely they are not quite demanding both to the organization and its culture. On the other hand, the level of organizational culture is also mostly insignificant for them. In its turn, employees of the 3rd group show difference in all levels between credibility of statements and importance personal values (Figure 3). This shows that the level of organizational culture is different from the level personal values. The respondents of this group consider that even though the statements of all levels are important for them, the level of organizational culture does not meet their requirements. The respondents of the 3rd group give much lower evaluation of the organizational culture than respondents of other groups, in its turn the 3rd group respondents show much higher the assessment of personal values.

The 3rd group respondents give the lowest assessment to “Self-esteem” and “Internal Cohesion” levels; this suggests that in this organization the decisions are made and directed “from above”, and possibly exists bureaucracy and control. The important issue of the “Internal Cohesion” level is building common vision of the future and common system of values.

The research results indicate that employees’ assessment of the level of organizational culture depends on their own personal vision, their life and work experience, personal values and needs.

The research data enables development of the instrument, which will be applied to assess and improve organizational culture both in private and public sector.

Conclusion

Each organization has the culture mainly created by its management. Therefore, the management of the organization has to promote alignment of personal and organizational values.

The basis of value-oriented organization is recognition - any value and any style of behaviour can be related to one of the seven levels of consciousness. Everything the organization seeks to achieve and strives for is a reflection of the organizational collective conscience, therefore harmonization of values plays a significant role in development of an organization.

The research results state:

1. The developed survey has been adapted and tested for the needs of Latvian organizations; based on the survey it is possible to develop an instrument for improvement and advancement of
organizational culture in Latvia. In general, the research suggests three groups of organization’s employees, where employees of the 1st group equally rate personal and organizational values, 2nd group shows equally low level of importance, whereas the 3rd group reveals disbalance of personal and organizational values.

2. In total, organizational values correspond to the system of values of employees, however, the results show that employees show concern of values of Survival, Relationship and Self-esteem levels, which should not be ignored.

3. The research results reveal that the 3rd group respondents do not consider alignment of their values with the organization; thus, the organization lacks loyal staff and employees do not feel an integral part of organization and unable to realize their potential.

4. Organization’s management is advised to make assessment of organizational values and make appropriate improvements (for instance, improvement of structure, procedure) with follow-up re-assessment of organizational culture values.

Bibliography