



Aligning Individual and Organisational Values



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How employees' personal values fit within their organisation.

All kinds of workers enter their organisations as humans first, with their own outlooks and values. These values are the fundamental beliefs that define what they feel is good, motivating their actions. In parallel, the role of organisational values, for **good** and **bad**, looms ever larger as firms **promote** their corporate beliefs. What happens when fighting against climate change, for example, is important to a person's sense of self? Working for an organisation that lacks ecological commitment would clearly be problematic for that individual.

These tensions between individual and organisational values have been clearly identified in management research. For example, close alignment between individuals' values and those of their organisations leads to a number of **positive organisational outcomes** including a reduction in staff

turnover. The literature also indicates that reflecting on personal values in an organisational context affirms feelings of self-integrity. Thus, when individuals experience identity threat due to negative stereotypes about the demographic group to which they belong, values reflection can reduce self-doubt and enable them to **perform to the best of their ability**.

But what happens to feelings of engagement with the firm as a result of reflecting on core personal values at work? Is it possible for organisations to increase employees' engagement and sense of connection with the company by giving them a space to reflect on and connect with their own personal values?

To study these questions, we collaborated with a large services company in the Middle East, using a randomised control trial (RCT) methodology. The primary advantage of RCT methodology is that it can establish causality beyond correlations, so that firms have a sense of whether an intervention "works". By doing this inside a firm, we can assess whether it works in the field, i.e. the real world rather than an artificially controlled lab (or even in **the classroom**). Our **study** examined the impact of individuals affirming their own core personal values on organisational engagement. We discovered that the answers depended on how closely identified and engaged employees were with their firm before the affirmation.

Values affirmation

Helping employees thrive at work is a priority for all those interested in organisational culture. Our focus was to study how employees relate to the firm in terms of values and their impact on employee engagement – or how close the employee feels to the firm. Of course, in practice it is impossible to randomly vary the values of a company to see how employees respond. So, our strategy was instead to vary (randomly) the salience of employees' individual values, while holding organisational values constant.

Our experiment focused on a values affirmation, which is an intervention designed to bolster individuals' feelings of integrity. This kind of writing exercise leads individuals to connect more strongly with the values that they find important within the context in which they've been affirmed. This affirmation, in turn, can help people experience less self-doubt and be more authentic versions of themselves, as Professor Kinias found in **research** based on women MBA students and other working adults.

Concretely, we presented two groups of employees with a list of values that included family, friends, gratitude, honour, religion/spirituality and environment/sustainability among others. Employees in the treatment group who used the values affirmation were asked to each select their two or three most important values and explain why these matter to them on a personal level. In the second (or control) group, participants were asked to select two or three of their least important values on the list and to write about why these values might be important to others.

After the two groups wrote about values, we asked them questions about how closely attached they felt to their firm; the same attachment was measured again a month later. We also collected information about individuals' levels of stress and employee engagement. Lastly, we controlled for seniority, gender and other factors.

Results, like people, vary

Overall, we found that people differ in their responses to the values affirmation. Using a factor analysis on the data we accrued pre-values affirmation, we identified those who felt they had a strong sense of self, lived their values fully and were attached to the organisation. We also found a contrast group, those with a strong sense of self but who weren't fully aligned with the organisation.

Employees who felt their values were already aligned with the organisation before the values affirmation felt even closer to the firm after the affirmation. But those who didn't feel very close to the firm before the affirmation felt even further apart.

Organisational fit

As more companies place their own values front and centre, there is an opportunity for firms to attract candidates with "like-minded" individual values. If, however, corporate messaging and recruitment efforts aren't aligned, the signalling of organisational values could backfire.

In addition, remember that individuals' values and beliefs influence them in meaningful ways. Employees come into an organisation with pre-existing ideas and may or may not be open to corporate culture training. They select organisations on issues ranging from **a cutthroat pay environment**, a reliable monthly salary, to **job flexibility and other non-monetary**

benefits. Each of these incentives attracts a variety of workers with different values and beliefs; aligning these with the firm is the challenge.

Misalignment and authenticity

Problems arise when workers' individual values and those of their organisations are misaligned. Individual values can't be left at the door when people come into the office. Indeed, as INSEAD Professor Natalia Karelaia has demonstrated, when employees show their **authentic selves** at work, it allows them to focus on their strengths rather than wasting energy covering up who they are.

Employees are all unique, with different priorities and values. It is up to firms and their leaders to recognise **humanity** when creating policies or programmes. One-size interventions do not fit all. When organisations emphasise their own values and encourage people to fully inhabit their own values, that alignment leads to a more authentic workforce.

Win-win for firms and academia

Firms working with academic scholars who conduct RCTs reap enormous benefits. Academic research partners are motivated to understand both what interventions do and why they work. Looking at "why" clarifies the mechanisms that underlie an issue and the conditions that make particular **interventions** effective, which is vital in designing new policies. As Professor John List explained at an **INSEAD conference** in 2019, "Data is now the most valuable resource in the world ... but much like oil needs a refinery, data also needs a refiner, and that's where academics come in. They lend expertise, they understand how to think about causality, they understand how to generate new data to make causal claims and to figure out underlying mechanisms."

If your firm is interested in understanding the mechanisms of organisational and employee values, and how to best leverage them, please contact us to express your interest in participating in an RCT.

Find article at

<https://knowledge.insead.edu/leadership-organisations/aligning-individual-and-organisational-values>

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About the research

"Individual Identity and Organizational Identification: Evidence from a Field Experiment" is published in the *AEA Papers and Proceedings*.

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