

# Processing Organizational Values in Finnish Context: Individual Implications in Three Case Companies

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Ethical perspectives in organizations are at the moment “in fashion”. The economic situations and strong transitions in labour market have made ethics a crucial topic in conversations. (Kauppalehti 2.10.2002) Mahoney (1997) argues: “Business ethics is ultimately the ethics of power, of how to handle the power of business and how that power is acquired, increased and exercised. The need for ethics in business has never been greater, precisely because the power of business has never been so manifold and so extensive as it is today.”

Values and value processes are said to be needed in every organization. World is changing and companies have to have something to “keep it together” in today’s turbulences. Values are often referred as organizational change agents, which are processed to improve the organizational performance. The biggest and most crucial challenge is the feasibility of the value process. The main point in this research is to study how case-companies process their values and especially how the personnel perceive it.

In this research I study three different organizations (forest industry, bank and market) and their value processes. Data is gathered by interviewing personnel in the head office and at the local level in all three companies with multiple managerial hierarchical levels. In all three companies values are “made” in the head office and then disseminated locally. Each company has their own way of performing the process; these are studied further in this paper.

Business ethics is currently very prominent business topic, and the debates and dilemmas surrounding it have tended to attract an enormous amount of attention from various quarters. Consumers and pressure groups appear to be increasingly demanding that firms should seek out more ethical and ecologically sounder ways of doing business. Media also constantly seems to keep the spotlight on corporate abuses and malpractices. Even the companies themselves appear to be increasingly recognizing that being ethical (or at the very least being seen to be ethical) may actually be good for business. (Crane & Matten 2004, 12).

Majority of companies still deals with HRM amateurishly. Usually the nature of human resource management is defined by how individual professional fields consider competitive edge to be created: management considers personnel to truly play a key role only in the service sector and some high-level expert organizations, whereas in other fields it still, at best, consists merely of the management of employment relationships instead of fostering, developing and productively utilizing the capacity tied to human resources. (Lähteenmäki et al. 1996)

Before the “raise of values” in organization studies, it could be said that on the whole, the ethical issues have been of marginal significance to the unfolding debates around HRM. (Winstanley & Woodall 2000, 4) Despite the active investigation of business ethics at an academic level since the 1960`s, there remains a gap between the work of academics and the application of business ethics in the workplace. There is still a gulf between academia and practice. But it should be emphasized, that academics can help practitioners with ethics by assisting in the clarification of the moral perspective in practices. (Spence 2000)

### **Case study approach and research strategy**

The research approach is qualitative, and the empirical studies concern three case companies, which have published their official values several years ago. Qualitative research doesn't search simple and unambiguous answers like quantitative research does. Instead it tries to find new ways of thinking and to problematize self-evident truths. (Alasuutari 1993, 193) In qualitative research the aim is to find new ways of explanation to different phenomena. The most important thing in researching is to explain one's theory. The interpretation has to be well-grounded but not necessarily final; there will always be someone who finds weaknesses from the study. Research and science are like games, which include uncertainty and skepticism. (Ehrnrooth 1990, 33)

This research follows the methodology of the case study approach to tackle the research question. The data is gathered by interviewing people from multiple managerial hierarchical levels in top management and at local level in the case companies. In some of the cases values are "made" at head office level and disseminated locally in the organisation, in other cases the values are present without implementation. Different ways of processing the values were found in the different case companies. One of the most interesting issues is the employee's experiences and opinions about the value process. Interviewees from different hierarchical levels make the study both interesting and intriguing.

“As individuals come into contact with organizations, they come into contact with dress norms, stories people tell about what goes on, the organization's formal rules and procedures, its informal codes of behaviour, rituals, tasks, pay systems, jargon, and jokes only understood by insiders, and so on. These elements are some of the manifestations of organizational culture. When cultural members interpret the meanings of these manifestations, their perceptions, memories, beliefs, experiences, and values will vary, so interpretations will differ – even of the same phenomenon. The patterns of configurations of these interpretations, and the ways they are enacted, constitute culture.” (Martin 1992, 3)

Values are developed over time and may be strongly linked to societal factors like peer group or strongly held beliefs emanating from membership of organizations or deriving from particular creeds. Organizations have become more and more interested in both the individual and collectively held values which permeate the organization. The organization may seek to portray a strong ethical stance in its operations, reflecting commonly held ethical values inside the organization. (Brooks 1999, 27)

Organizations, like individuals, have moral and ethical responsibility in their actions: values transform their identities. As often found in earlier research, social engineering projects have their limitations and often the tool-like attitude in value processing does not end to satisfactory aimed results. In this research the individual implications about the value process are emphasized; how do people perceive values and value processing in their organizations?