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RUNNING HEAD: Values, identification and suggestion-making

The Interaction between Values and Organizational Identification in
Predicting Suggestion-Making at Work

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Dear Dr. Aryee,

Thank you for your letter, dated 21st of May 2007, inviting us to make the final revisions to the manuscript 'The interaction between values and organizational identification in predicting suggestion-making at work' (JOOP491R1). We have done our best to address your concerns:

“This offer of acceptance is conditional on (i) toning down the last paragraph (page 8) of your paper, (ii) deletion of a statement in the middle of your discussion (page 7) that reads 'Their identification might manifest itself in other ways, for example by conforming to the organization's rules and norms, the latter behaviour being an expression of conservation values,' and (iii) an explanation of your claim on page 7 that '...there is a clear need for social psychological explanations for innovation.’”

As you can see from pages 7 and 8 we have now made these changes according to your suggestions.

Sincerely,

The Interaction between Values and Organizational Identification in Predicting Suggestion-Making at Work

Abstract

The present study proposed and found that personal values and organizational identification interact in predicting making suggestions for organizational improvements at work. 148 employees of children's day-care centres rated their values, their identification with the organization, and their suggestion-making behaviour. Their behaviour was also rated by their supervisors. As expected, the value dimension of openness to change vs. conservation predicted suggestion-making more strongly amongst individuals highly identified with the organization than amongst individuals weakly identified with the organization. This was found using self-ratings of behaviour as well as supervisor's rating of behaviour. The study points to the importance of values and identification in understanding suggestion-making and innovative behaviour at work, and it opens new avenues for examining this interaction in predicting other kinds of organizational behaviours.

Organizations today face a dynamic and changing environment that requires frequent change and adaptation. Therefore, it is vital to gain knowledge regarding factors that facilitate organizational change. By making suggestions for changes, employees can help their organizations improve products, processes, and services, and thereby adapt to a changing environment. In this paper, we demonstrate that values interact with organizational identification in predicting suggestion-making.

Innovation and suggestion-making

Innovation can be defined as the intentional generation, adoption and application of new ideas, processes, products or procedures, that aim to benefit the individual, group or organization in question (e.g., West & Farr, 1990). The process of innovation includes two phases – suggestion-making and implementation, and these phases differ in the factors that influence them, thus it is important to study them separately (e.g., Axtell, Holman, Unsworth, Wall, Waterson & Harrington, 2000). Suggestion-making is the first phase to take place, and without it innovation is impossible. Thus, suggestion-making is fundamental to innovation and its understanding merits research. We therefore focus on suggestion-making in this paper.

Axtell et al. (2000) examined various predictors of innovation among shop floor employees. They found that individual-level factors and job characteristics (e.g., self-efficacy and production ownership) were more strongly related to suggestion-making compared with organizational level factors (e.g., participative safety and support for innovation). Individual level factors have been found to be important antecedents of suggestion-making in other studies as well (e.g., Morrison & Phelps, 1999). Yet, such studies have typically not been based theoretically. Indeed, in a recent review by Anderson, De Dreu, and Nijstad (2004) only 13% of all the innovation studies published during 1997-2002 were theory-driven. Therefore, there is a clear need for theoretical social-psychological explanations for the innovation process. Another factor that adds to the importance of studying the behaviour of suggestion-making is that it can be done by all employees, regardless of creative ability or being in specific roles, hence the prevalence of this behaviour is potentially large. Although the effect of any such behaviour may be small, the accumulative effect across acts and employees is likely to be significant and related to organizational-level effectiveness (e.g., Ehrhart, Bliese & Thomas, 2006).

The present study focuses on individual level factors and on the suggestion-making phase of innovation process. Our study is based on two social psychological theories, namely the Schwartz value theory (e.g., Schwartz, 1992) and social identity theory (e.g., Tajfel & Turner, 1979). To our knowledge, neither of these has been previously employed in explaining employee's suggestion-making.

Schwartz's (1992) theory of values

The Schwartz's (1992) value theory is one of the leading value approaches today, due to its theoretical comprehensiveness and its wide international validation (reviewed in Schwartz, Lehmann, and Roccas, 1999). This theory offers a sound theoretical basis for deriving hypotheses based on conflicts and compatibilities of values. Therefore, we use this approach to derive and test hypotheses. Schwartz defines values as broad goals, based on motivations, which serve as guiding principles in people's lives. As a guiding principle, an important value is likely to guide behaviour across time and in different contexts, such as at work and at home. Indeed, Bardi and Schwartz (2003) have found that values are related to a range of mundane behaviours. Thus, basic values can predict behaviour in a specific context. People differ in their value hierarchies, so that any value can be important to one person and not important to another.

At the broadest level of abstraction, values are structured in two orthogonal bipolar dimensions (see full description of the theory in Schwartz, 1992). The first dimension is self-transcendence versus self-enhancement, which contrasts a pro-social motivation with the motivation to pursue selfish interests. The second dimension is openness to change versus conservation. It contrasts the motivation for change and novelty with the motivation to maintain things as they are. The contrast is created because it is often impossible to pursue values that are based on conflicting motivations at the same time. To illustrate, when one pursues openness to change values by expressing an innovative idea to the supervisor at work, one also violates values that aim at maintaining things as they are. We focus on the dimension of openness to change vs. conservation in this study, because of its clear relevance to the behaviour of suggestion-making. Specifically, by making suggestions for improvement the employee actively promotes changes in the organization. Hence, by making suggestions one can pursue openness to change values. Because making suggestions promotes changes in the organization, this behaviour violates values that aim at preserving things as they are (conservation values). We therefore expect that the dimension of openness to change vs. conservation will be related to suggestion-making at work. To the best of our knowledge, this

is the first examination of relations of values of the Schwartz value theory to behaviour at work.

Identification as a moderator in the relationship between values and behaviour

According to social identity theory (e.g., Tajfel & Turner, 1979), people define themselves, to a large extent, in terms of their social-group memberships. When social identity is salient, group members should be motivated to behave in a way that will enhance group goals. These propositions were supported in organizational contexts (e.g., Olkkonen & Lipponen, 2006). Thus, the more people identify with their organization, the more they are likely to be motivated to make suggestions for improvement at work.

Individuals who value openness to change and de-value conservation are likely to make relatively more suggestions at work because such behaviour enables these individuals to express their values. However, values are general guiding principals that can be expressed in alternative contexts. Values that motivate group-enhancing behaviour are likely to manifest themselves more clearly when social identity is salient, that is, among people who identify with the group. Hence, those who do not identify with the organization might not be motivated to think of ways to improve it or to express such ideas. They may express their openness to change values in other contexts, such as through hobbies. But if valuing openness to change is accompanied by identification with the organization, then this identification might serve as a motivator to think of new ideas and express them. Hence, we suggest that the positive relation between valuing openness to change and making suggestions at work depends on the level of identification with the organization. We therefore expect a stronger positive relation between valuing openness to change and suggestion-making at work amongst individuals that identify with the organization compared with individuals that do not identify with the organization.

Method

Sample and procedure

Data was gathered from a municipal children's day-care organization in a large town in southern Finland. The day care organization is divided into five districts, which in turn are further organized into 126 separate day-care centres. Employees of thirty of these centres were randomly selected for this study. The sample consisted of 411 employees, and 216 responses were received (52.6%). The size of the day-care centres ranged from seven to 21 employees ($M = 14.7$). The director of the centre served as the immediate supervisor for all the respondents. Separate questionnaires were sent to the directors of the centres in which

they were asked to evaluate all their subordinates, and 66.7% of them returned the questionnaire. The final sample of this study consisted of those employees whose responses were received and who were also evaluated by their supervisors ($N = 148$; ages 20-63, $M = 41.4$; 98.0% women). The questionnaires were administered as part of a larger survey within the organization. Participation in the survey was voluntary and employees were told that the results will be used both in academic research and organizational development.

Measures

Suggestion-making. The scales for both self-reported and supervisor-reported suggestion-making consisted of two items adopted from previous scales of change-oriented behaviour (e.g., Choi, 2007): “I have made suggestions to the supervisor (of the day care centre) regarding how to develop the functioning of the day care centre” and “I have told my ideas to my co-workers regarding how to improve our work”. The respondents were asked to rate on a 5-point scale (1 = never; 5 = very often), how often during the last year they have performed these behaviours ($M = 3.14$; $SD = 0.83$; $\alpha = .72$; inter-item correlation, $r = .58$). Supervisor-reports of suggestion-making using the same items ($M = 3.27$; $SD = 1.08$; $\alpha = .90$; inter-item $r = .81$) were obtained from the head of each day-care centre.

Organizational identification. Based on Mael and Ashforth (1992), organizational identification was conceptualized as “the perception and sense of oneness with or belongingness to an organization, where the individual defines him or herself in terms of the organization(s) in which he or she is a member”, and it was measured with eight items based on the Finnish version (Lipponen, Helkama, Olkkonen, & Juslin, 2005; Olkkonen & Lipponen, 2006) of Mael and Ashforth’s (1992). Organizational Identification Questionnaire (OID).

Values. Employees’ values were measured with a shortened version of the Finnish translation (Koivula & Verkasalo, 2006) of Schwartz et al.’s (1999) Portraits Questionnaire (scale from 1 to 6). Openness to change values were measured with five items ($M = 3.71$; $SD = 0.84$; $\alpha = .70$). Conservation values were measured with five items ($M = 3.53$; $SD = 0.84$; $\alpha = .78$). Following Schwartz (1992), value measures were controlled for scale use by centring item ratings on the personal mean of value ratings.

Openness to change was negatively correlated with conservation, $r = -.52$, $p < .001$, establishing its empirical contrast. For further analyses the bipolar value dimension was computed by subtracting conservation values from openness to change values. This use is

justified both theoretically and empirically. Theoretically, it fits Schwartz' (1992) argument that these values form a bi-polar dimension in which hypotheses for one pole of the dimension should mirror the other pole. Empirically, using openness and conservation values separately in the regression would increase the number of possible interactions thereby reducing the power of the analysis (see Aiken & West, 1991). This bipolar value dimension is used in all further analyses.

Results

As expected, valuing openness to change vs. conservation was positively related to suggestion-making ($r = .31$ and $r = .14$, $p < .05$, for self-reports and supervisor-reports respectively). In addition, as expected, identification with the organization was positively related to suggestion-making ($r = .15$ and $r = .32$, $p < .05$, for self-reports and supervisor-reports respectively).

The interaction hypothesis was tested using the moderated multiple regression approach (Aiken & West, 1991). To control for systematic biases associated with participants' demographic characteristics (Choi, 2007), gender and level of formal education were included as controls. Additionally, the size of the organization was included as a control variable because it has been found to be negatively related to organizational identification (e.g., Lipponen et al., 2005). Control variables were entered in the first step (Table 1). Identification and the value dimension were entered in the second step. The interaction between identification and openness to change was added in the third step. The results showed that there was a significant interaction effect between the dimension of openness to change vs. conservation and identification in predicting self-rated suggestion-making ($\beta = .18$, $t = 2.50$, $p < .01$). The interaction term when using supervisory-rated suggestion-making was also significant ($\beta = .12$, $t = 1.81$, $p < .05$).

The interaction effects were further subjected to simple slope analyses using conditional values for identification calculated to be one standard deviation above and one standard deviation below the mean of identification (Aiken & West, 1991). The analysis showed that, as expected, the slopes of the value dimension openness to change vs. conservation in predicting suggestion-making were stronger for individuals highly identified with the organization (self-ratings: $\beta = .54$, $p < .001$, supervisory-ratings: $\beta = .31$, $p < .01$) and weaker for individuals weakly identified with the organization (self-ratings: $\beta = .25$, $p < .05$, supervisory-ratings: $\beta = .15$, ns).

Insert Table 1 here

Discussion

In this study, we suggested and found that values interact with identification with the organization in predicting suggestion-making at work. The value dimension of openness to change vs. conservation was more strongly related to suggestion making for individuals highly identified with the organization, compared with individuals that are only weakly identified with the organization. Thus, identification with the organization facilitated the effect of openness to change vs. conservation values on making suggestions at work. This means that identification with the organization can channel the way personal values manifest themselves through behaviour at work. Identification with the organization motivates those who value openness to change to make suggestions for improvement at work. Yet, those who identify with their organization but do not value openness to change, are not motivated to make suggestions for improvement at work. This new set of findings advances our understanding of antecedents of making suggestions for improvements at work. It adds the important factors of personal values and organizational identification to the previous findings of individual level factors (e.g., self-efficacy), job characteristics (e.g., autonomy) and organizational level factors (e.g., support) on innovative behaviour (Axtell et al., 2000). Moreover, our results indicated that both Social identity theory (Tajfel & Turner, 1979) and the Schwartz value theory (1992) are useful in explaining suggestion-making.

The results of this study also add to our basic knowledge of the relations between values and behaviour. This is one of the first studies to examine interactions between values and other motivational factors. Our study is the first to show that the strength of value-behaviour relations can vary depending on identification with one's group.

A potential limitation of this study is that it is based on a relatively small sample of employees of day-care centres that consist of mainly women. Therefore, this question should be studied on other types of employees before firm conclusions can be made. However, interactions between continuous variables are very difficult to find, and often require large samples for sufficient power (Aiken & West, 1991). There has also not been any evidence, so far, for spurious interaction effects (Aiken & West, 1991). This suggests that the interaction we found is valid, although it would be good to replicate it in future studies.

Another limitation is in relying on correlational data, which hinder drawing strong conclusions regarding causality. Future studies should add laboratory studies in which identification is manipulated to establish causality.

A further limitation is that our suggestion-making measures had only two-items. Yet, this limitation is partially countered by the reliance on both self- and supervisor-reports of behaviour, which resulted in the same findings. In future studies it would be advantageous to also measure suggestion-making with longer scales as well as objectively, for example by content-analysing minutes of staff meetings, e-mails, etc.

The findings have interesting links to previous studies regarding potential moderators of value-behaviour relations (e.g., Bardi & Schwartz, 2003). For example, Bardi and Schwartz (2003) found some indirect support to the idea that norms moderate the relationship between values and behaviour. If a behaviour expressing a certain value is under normative pressure, people may still perform that behaviour even if it conflicts with their personally important values. Therefore, normative pressure weakens the relationship between personal values and behaviour. The contexts of social groups in which the behaviour takes place as well as the factors influencing the direction of the value-congruent behaviours have not been taken into account sufficiently in previous research. Therefore our findings advance basic knowledge on value-behaviour relations. An interesting question that links our findings to the previous findings is the differential effects of important values in different contexts of social groups, and when the behaviour is directed to the social group. It is plausible, for example, that normative pressure from the work group would be a more powerful moderator for those who are highly identified with the group.

Personal values and level of identification with the group both serve as motivators of behaviour at work. Our study demonstrates the importance of examining their joint effects. Future research may examine whether the same ideas could be applied to understand other kinds of organizational behaviours, that might be related to other values.

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Table 1 Results of hierarchical regression analysis pertaining to self-rated and supervisory-rated suggestion-making.

	Self-rated β	Supervisory-rated β
Step 1		
Control variables ^a		
R ²	.14**	.31**
Adjusted R ²	.11**	.29**
Step 2		
Control variables ^a		
Identification	.19**	.30**
Openness to change	.29**	.08
R ²	.24**	.39**
Adjusted R ²	.20**	.36**
R ² change	.10**	.08**
Step 3		
Control variables ^a		
Identification	.19**	.30**
Openness to change	.30**	.09
Identification X Openness to change	.18**	.12*
R ²	.27**	.41**
Adjusted R ²	.25**	.37**
R ² change	.03**	.01*

Note. N = 148. Independent variables were centered by subtracting sample mean from each score (Aiken & West, 1991). * p < .05; ** p < .01, one-tailed. ^aControlled for gender, level of formal education and organization size. The ANOVA showed significant differences amongst the day care centres in supervisory-rated suggestion-making and the Scheffe test revealed that the day care centre with the highest mean and the one with the lowest mean differed from one another. Therefore, these two day care centres were also added as dummy-variables into the regression models.