THESIS ON ECONOMICS AND BUSINESS ADMINISTRATION H44

Management Paradigm Values in Real and Propagated Level as Prerequisites of Organisational Success

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Declaration:

Hereby I declare that this doctoral thesis, my original investigation and achievement, submitted for the doctoral degree at Tallinn University of Technology, has not been submitted for any academic degree.

Eneken Titov

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MAJANDUS H44

Juhtimisparadigma väärtused propageeritud ja tegelikul tasandil kui organisatsiooni edu eeldused

ENEKEN TITOV

TTÜ
KIRJASTUS

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LIST OF PUBLICATIONS

The thesis bases on five original scientific publications. The respective Roman numbers refer to the publications in the text below:

I. Virovere, A., **Titov, E.,** & Meel, M. (2011). Change of Management Values in Estonian Business Life in 2007-2009. *Chinese Business Review*, 10 (11), 1028-1042. (ETIS 1.2)

II. **Titov, E.,** Virovere, A., Meel, M., & Kuimet, K. (2013). Estonian Managerial Values in Value Systems in Ensuring Sustainability of Organisations. *Journal of Management and Change,* 1/2 (30/31), 66-81. (ETIS 1.2)

III. Virovere, A., **Titov, E.,** Kuimet, K., & Meel, M. (2013). Propagated and Real Values in Estonian Organisations According to Conflict Analysis. In G. Prause, U. Venesaar & W. Kersten (Eds.), *International Business – Baltic Business Development* (pp. 107 – 124), Frankfurt am Main: Peter Lang GmbH. (ETIS 3.1)

IV. **Titov, E.,** Kuimet, K., & Meel, M. (2013). Post-Recession Values in Estonian Organizations. In G. Prause, U. Venesaar & W. Kersten (Eds.), *International Business – Baltic Business Development* (pp. 93 – 105), Frankfurt am Main: Peter Lang GmbH. (ETIS 3.1)

V. **Titov, E.** (2014). From Modernism to Postmodernism – Change of Estonian Managerial Values. *Advances in Education Research,* 53. (ETIS 3.1)

Other publications related to the topic:

- **Titov, E.,** Tuulik, K. (2013). Management of Higher Education Institutions: Quality Management through Value Based Management. *American International Journal of Contemporary Research*, 9(3), 29 - 41.
- **Titov, E.,** Virovere, A., Kuimet, K., & Meel, M. (2012). Estonian Managerial Values in Value Systems in Ensuring Sustainability of Organisations. *25th EBEN Annual Conference "Work, Virtues and Flourishing"*: 20-22nd September 2012, Barcelona, Spain
- **Titov, E.,** & Kuimet, K. (2011). Post-recession values in Estonian Organisations. *II International Scientific Conference Management Horizons in Changing Economic Environment. "Visions and Challenges":* 22-24th September 2011. Kaunas, Lithuania, 649 - 665.
- Virovere, A., **Titov, E**., & Meel, M. (2010). Change of Management Values in Estonian Business Life in 2007-2009. *23rd EBEN Annual Conference*

"Which Values For Which Organisations": 9-11th September 2010, Trento, Italy,

- **Titov, E**. (2013). From Modernism to Postmodernism: Spread of human-centred values in Estonian organisations. *11th EBES (European Business and Economic Society) Conference*: 12-14th September 2013, Jekaterinburg, Russia.
- **Titov, E.** (2014). From Modernism to Postmodernism: Spread of human-centred values in Estonian organisations. *4th International Conference on Applied Social Science (ICASS 2014)*: 20-21st March 2014, Singapore
- **Titov, E.,** & Tuulik, K. (2013). The connection between organizational values and state requirements of curricula and institutional evaluation according to the Universities of Applied Sciences in Estonia: *EOQ Congress "Co-creating a Viable Future"*, 17-20th June 2013.
- **Titov, E.** (2014). Values in Postmodern Management. *14th EBES Conference*: 23-25th October 2014, Barcelona, Spain
- **Titov, E.,** Kuimet, K. (2014). The generations of Estonian small business managers based on their values. *3rd EUAS Entrepreneurship Conference Innovation and Entrepreneurship "Change of Paradigm"*: 07th November 2014, Tallinn, Estonia

The author's contribution to the publications

Paper I. The author of this thesis was a member of the research group and her responsibility was to create a comprehensive theory, to create connections between theory and research, to act as one of the experts responsible for the analysis of the management articles (as a sample of research) and to collect analyses and visualise all the results. Conclusions were made together with team.

Paper II. The author prepared, created and visualised all the models presented in this article. She also assessed and described the managers' values, to group them and to fit the values identified into the value systems. The author was responsible for writing the theoretical overview for this article.

Paper III. One part of data used in this article was also used in article II. The author was responsible for analysing data of propagated values, prepared a theoretical framework concerning the organisational values and the model of levels of organisational values. The author also composed the article.

Paper IV. The author wrote the theoretical part of the article, prepared and analysed the data and recorded the results. The analysis of the cases and the conclusion were made together with the co-authors.

Paper V. The author prepared the article singly.

INTRODUCTION

Organisational values are a popular subject of research, but the construct is mainly used to find out organisational values and try to connect them with different phenomena. As good exceptions, several authors have tried to connect the organisational values to other organisational characteristics. Jaakson, Reino and Vadi studied how values are connected to size, sector and field of activity (Jaakson, Reino & Vadi, 2009). Connections with mission of organisation (Seevers, 2000), with effectiveness and nationality (Fey & Denison, 2003; Ralston, Holt, Terpstra & Kai-Cheng, 1997), with vision and CSR (Khandelwal & Mohendra, 2010), with trust (Gillespie & Mann, 2004) have been investigated, but organisational values have been mainly studied through the organisational culture (Quinn & Spreitzer, 1991; Finegan, 2000; Kabanoff & Holt, 1996; Dylag et al. 2013, Kristof, 1996; Schein, 1985).

As Hutcheon said already in 1972 that "*values might be seen as norms, as cultural ideals, as assessment of action, as beliefs, as objects, as value orientations, as behaviour probability or as generalized attitudes*", the concept of value is confusing and after more than 40 years, the concept is still ambiguous. Also, every author prefers own name to be given to the values and the value may have many attributes and prefixes, which all give their own to the word "value". Thus, attributes like "core", "shared", "espoused", "real", "described", "formal" etc. probably help understand a respective nuance, but do not allow a complete comparison or analysis of the content of values. Different definitions presented by researchers have even added confusion over the construct (Rohan, 2000)

Although the idea of changed society and economy is a "hot topic", the real changes have not reached the organisational level. Changes need time, but also a support system must be created to managers to give them reliable information which direction of the developments should be emphasised. Different researchers (Alas and Tuulik, 2004; Zernand – Vilson and Terk, 2009; Zernand – Vilson and Elenurm, 2010) point out that the management of an Estonian organisation is stuck into old times and is not in coherence with the requirements of modern society and stakeholders. According to the knowledge that organisational values are the essence of organisational culture and impact every part of an organisation, the backlog of management can be improved through the clarification of the concept of values in the organisational context, using knowledge and research results describing changes in the management paradigm.

One possibility to improve differentiation of the values of today's organisations is to connect organisational values to management paradigms. Since the organisation does not exist in vacuum, but is always influenced also by the external environment, the directions and behaviour of organisations should be in compliance with generic paradigms of society. According to Seevers (2000),

values are enduring, which means that they change in accordance with the changes of environments of the individuals and groups that embrace them. Today's movement proceeds from an old modernist or "traditional" model of management and organisation into a new "high performance" era of post-industrialisation (Burke, 1991; Bøje & Dennehy, 1999).

In this thesis modernism and postmodernism were chosen as general paradigms to characterise the change and need for change of organisational values. Paradigm is defined as intellectual perception or view, accepted by an individual or a society as a clear example, model or pattern of how things work in the world (Kuhn, 1962). Management paradigm is "*a certain concept of a managerial way of thinking and acting or interpretation of some complex phenomenon*" (Němeček & Kocmanová, 2008).

In the area of management, researchers have used the logic–in-use (knowledge based on science) approach (Mirowski, 1989) and inappropriately applied it to rapidly changing nonequilibrium economic phenomena (Colander, 2006). The change of a paradigm is not easy and quick and is most certainly connected to values that need also to be changed as the bases of the paradigm. According to Kuhn (1962), the decision to reject one paradigm always means simultaneous acceptance of another. To create a future and accept the values that are different from the past, we need to change (Land & Jarman, 1992). Boisot and McKelvey (2010) predict that the competition between modernists and postmodernists continues and the future may cause problems and offer scientists the challenges.

Different management paradigms are frequently described through values, but no systematic analysis how the concepts are connected to each other has been reported. Wooten (2009) uses term "paradigm values" as something, which helps to characterise the change of organisational development paradigm. He describes changes in OD paradigm through changes in paradigm values (Wooten, 2009). Several more attempts have been made, but those follow mainly the change of management paradigms themselves and do not link the changes with organisational values (Dolan & Garcia, 2002). The time dynamics should be considered to understand the change of values and their importance through the management paradigms. Changes in paradigm values describe the change of paradigm itself. Organisational culture (values as an essence of culture) ensures the competitive advantage for the organisation in a longer run, because it is impossible to copy or take over (Goffee & Jones, 2001). Better knowledge and ability to articulate our values can give richer insight into our behaviours, our interaction with others and our frames through which we make decisions (Woodward & Shaffakat, 2014).

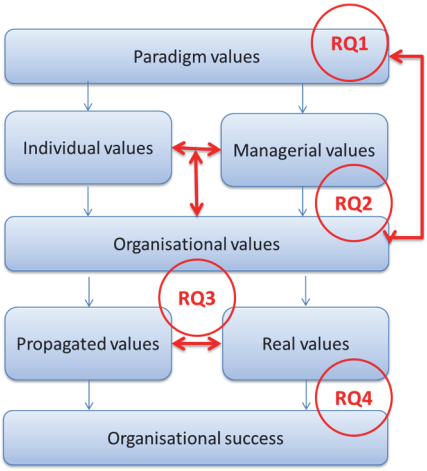
Most of the organisations have worded their values in their organisational strategies presented on their web-pages and have hopefully made all the steps necessary to implement those values. In several cases organisations have just worded their values, but the employees will not adapt to those. Since the values

management is an area quite well described, additional research seems not to be a priority. On the other hand, another aspect, which is important in using the values as a tool to achieve success is the content of values. In other words – organisations need to know which values comply with the contemporary management paradigm and would support the organisations to achieve success.

The aim of the doctoral thesis is to emphasise the importance of the values in management and show how the paradigm values reflect in organisational real and propagated values and thereby impact the organisational success.

According to the aim of the research, a general model how the paradigm values are connected to the organisational success was formed. Values in society, as values of a leading paradigm, influence individual and managerial values, which in turn form the values of the organisation where they meet. Organisational values might be either conflicting or congruent in two levels – real vs propagated values and individual vs managerial values inside the organisations. The red lines in Figure 1 show the need for congruence between the values. Congruence between the values has been explained in theory by previous research and is not the main research object in this study.

As the need for congruence is confirmed by previous research (discussed also in the theoretical part of the thesis), in this thesis the nature of different types of values and their connection to organisational success are the main issues. Therefore, the main research question is: *How and which values are reflected in management cases in real and propagated level in 2007 – 2012 and whether those values predict organisational success.* Four research sub-questions are set up according to the model to answer the main research question and help to achieve the aim of the thesis. (see Figure 1).



RQ1: Which values describe a management paradigm (modern and postmodern)?

RQ2: Which values describe management in organisations?

RQ3: Whether at all and how the real and propagated values differ in the organisational level?

RQ4: Which organisational values lead to success?

Figure 1. Paradigm values and organisational success model with research sub-questions. Source: Compiled by the author.

According to the aim and research questions, the author composed four research tasks:

- To determine the values of modern and postmodern management and connect paradigm values to organisational values
- To clarify the concept of organisational values and to show the importance of congruent individual and organisational values
- To distinguish the real and propagated values according to the example of Estonian organisations and emphasise the need for real and propagated values congruence in organisations
- To link the values to organisational success

Although the term "value" is multifaceted and interdisciplinary and many researchers have tried to clarify this concept, almost each study brings out a brand new aspect about values. According to our knowledge today, there are many variables that influence the values search, design, management, adaption and implementation in organisations. The values can also be classified differently. In this thesis three classifications are bound in the values and success model, studied and used in the author's scientific articles (marked with Roman numerals):

- According to the owner of the value – individual and organisational values (I, IV)
- According to the implementation level – real and propagated values (III, II)
- According to the management paradigm – modernist and postmodernist values (V)

The tasks of the doctoral thesis are covered in the five scientific articles referred to below and are as follows:

- Article I - To conduct research in Estonia in order to find out how the economic crisis has influenced the attitudes and management values of Estonian managers. Also, the authors discuss which values are more important and why in the period of rapid changes. For that purpose, authors analysed journal articles to find out values propagated to managers.

- Article II- To find out how the values, which are propagated in Estonian organisations are fitted into different value systems; if at all and how those Estonia-specific value-systems are described. Therefore, the questions about the content of propagated values and their implementation in practice were raised and answered.

- Article III - The authors found out which the real values in the organisations are; we analysed the values the Estonian managers propagate: these are the values they consider to be right. How essential is the gap between the real and the propagated values in our organisations.

- Article IV – The economic crisis was an opportunity to connect the fundamentals of the theory of value and the behaviour of Estonian organisations, linking Estonia's organisations behaviour and values during the crisis. The article gives a brief overview about the importance of organisational values and about their connections to the management activity, describes the collection methodology of empirical evidence about organisational values and specifies the real value models characterising the Estonian organisations, differentiating them due to the size and the form of an organisation.
- Article V – In this article the author focuses on the organisational level to find out whether the values of postmodernism have reached the Estonian organisations and whether they are reflected in the management. The respective research tasks were to map the main characteristics of modern and postmodern management based on the management theory; to find out the aspects of modernist and/or postmodernist management behaviour used in Estonian organisations based on cases and to describe shortly the management shift in Estonia.

The aim and research questions indicate a need to use a flexible research strategy. The nature of this study is both descriptive and exploratory. The descriptive part is presented in mapping, describing different level values and their connections to each other and organisational success. The exploratory part focuses on finding management paradigm values and their usage in the management of an organisation.

The structure and selected methodology of the research allows to study as multifaceted construct as the construct of values is. According to Teddlie and Tashakkori (2003), mixed methods allow researchers to answer more complicated questions and therefore to create new theories – to find important relationships in deep, to make more content-rich conclusions and to reflect different aspects of a phenomenon.

Research objects of this thesis are the organisational values. Values have qualitative nature; despite that, most of the research models of values are quantitative in the technical level. According to the nature of the research object and the research questions, mixed methods (Tashakkori & Teddlie, 2003) was chosen, which is quite common in social sciences (Niglas, 2009) and allows us to bring out the qualitative nature of values and at the same time to quantify some results for describing the distribution and importance of values. To find answers to all the research questions, more than 640 different types of cases (management articles published in Director business journal are also used as types of cases) were analysed and altogether more than 1600 found values formed the bases for this research.

The author’s contribution to the field can be revealed in the following aspects:

- The author demonstrates that the real organisational values in Estonian organisations don't match to the contemporary management values (real values vs leading management paradigm values) and brings out the possibilities how to increase organisational success through better and more leading management paradigm based values management. Many problems prevail in the management of Estonian organisations (Vadi et al. 2011, Alas & Tuulik, 2004; Zernand-Vilson & Elenurm, 2010); therefore, the organisations are not very effective. Several authors (Collins, Drucker, O´Reilly and Pfeffer) report that according to organisational values, management is one possible answer to increase organisational effectiveness. Hence, all the information that helps managers to use organisational values as a tool to support organisational success is really useful.
- The author shows how to use management paradigm values as a tool to understand and implement value changes inside the organisation. The management paradigm has changed (from industrial to knowledge based society or in other words – from modernism to postmodernism). Therefore, the organisations need to change in order to adopt a "new paradigm," or view on the world, to be more sensitive, flexible and adaptable to the demands and expectations of stakeholder demands.
- The author's work shows the gap between real and propagated values as well as the gap between leading paradigm and real organisational values. Those "gaps" show are problems in organisation management and give a valuable information for managers in values implementation. Although most of the organisations have organisational values written down in their web-pages, strategies or development plans, those values often remain as declared or propagated values and are not revealed in organisational behaviour. Investigations as the author demonstrates allow to create development-systems for the organisations to minimise the gap between the propagated and the real values and to harmonise the management of organisations.
- The author proves the existence and connection between different level values inside the organisation and their impact to organisational success.
- The author demonstrates a possibility to use different research methods as a whole to investigate different level organisational values. Since, no dominant and accepted value frameworks or value measures exist, researchers' value surveys are based on the ad-hoc made tools or on a mixture of different instruments and instruments worked out for other issues (organisational culture, leadership and management, satisfaction etc.). The level of implementation of values is has been a crucial aspect for researchers – some tools just help to find out the declared or propagated values, but those values fail to describe the real organisation.

No person or organisation exists without values – everyone has values. Those values might be more or less ethical, more or less perceived, more or less bad or good (from the view point of society); but values do always exist.

Overview of the approval of research results

Results from all surveys included in the present thesis have been published and presented by the authors at international scientific conferences, following the acceptance of peer-reviewed submitted abstracts.

- The study results indicated the change of values in the conditions of economic crises and showed that economic values dominated above ethical and social values; the results were presented at the 23rd EBEN Annual Conference, "Which Values for Which Organisations", Italy, Trento, 9-11 September, 2010. (Article I)
- Results from the study concerning Estonian managerial values in the value systems in ensuring sustainability of organisations and analysis of the results from the qualitative study were presented by the author at the International 25th EBEN Annual Conference "Work, Virtues and Flourishing", Barcelona, in September 2012. (Article II)
- The results describing the real values of post-recession Estonian organisations were presented at the II International Scientific Conference "Management Horizons in Changing Economic Environment: Visions and Challenges". Kaunas, Lithuania on September 22-24.2011. (Article IV)
- The results concerning differences between modern and post-modern values and the results describing the Estonian organisations being in the middle of the management paradigm change, were presented by the author at the 4th International Conference on Applied Social Science (ICASS 2014), Singapore, in March 2014; the EBES 2014 Conference in Barcelona in October 2014 and in EUAS 3rd Annual Conference in Tallinn, in November 2014 (Article V)

List of Abbreviations

CDA – Critical Discourse Analysis

CSA – Case Study Analysis

CSR – Corporate Social Responsibility

EAS – Enterprise Estonia

EBES – Eurasian Business and Economic Society

EBEN – European Business Ethics Network

EBS – Estonian Business School

EOQ – The European Organization for Quality

EUAS – Estonian Entrepreneurship University of Applied Sciences

HRM – Human Resource Management

ICASS – International Conference on Applied Social Science

OD – Organisational development

TUT – Tallinn University of Technology

1. THEORETICAL FRAMEWORK

1.1. Modernist and postmodernist paradigms in management

The first modern definition for term “paradigm” originates from Kuhn (1962) - paradigm is an entire complex of beliefs, values and techniques shared by scientists and philosophers. Harman (1970), based on Kuhn, defined a paradigm as "*the basic way of perceiving, thinking, valuing, and doing associated with a particular vision of reality.*" Drucker (2001) bases on the same content, stating that paradigm is a set of basic assumptions about what it is to be a reality. For Burrell and Morgan (1979) the paradigm means an underlying unity in terms of its basic and often 'taken for granted' assumptions, which distinguish a group of theorists from other theorists believing in other paradigms. Those definitions clearly show the two main directions – paradigm as a set of scientific thoughts and terms and paradigm as a set of beliefs, values, practices describing behavior. In this thesis the second direction is taken as a base and Capra’s (1996) definition is used - paradigm as a network of concepts, values, perceptions and common used practices that create a specific view of reality and a starting point for the organization. Similarly the Gregory et al (2009) have defined the paradigm (paradigm as the set of experiences, beliefs and values that affect the way an individual perceives reality and responds to that perception), placing the term value in the center. Therefore, those definitions allow to use term “paradigm value”, since values are in the center of the definition of the paradigm and designate and describe the paradigm. Wooten (2009) uses term “paradigm values” as something, which helps to characterise the change of organisational development paradigm. Paradigm values are beliefs, principles characterizing certain era or general view.

Modernism and postmodernism are mostly used to describe a general philosophical direction or an era or paradigm, but several authors have tried to link those also into the organisational level (Kemp, 2013; Wooten, 2009; Alonso, 2007; Hawkins et al, 2002; Taboli et al, 2013; Han et al, 2009). Postmodern thinking in organisation studies emerged at the end of the 1980s based on the Scandinavian and British academic tradition (Burrell et al, 1988; Clegg, 1990; Hassard et al, 1993); but among the academic and practitioners circle, one of the first and most cited authors who used that term in the management context was Peter Drucker (1996). Although not all of the researchers agree that postmodernism is the best philosophy to describe a contemporary organisation and management (Boisot et al, 2010), at the same time, they do not deny that postmodernist principles are in better compliance with the challenging environment of nowadays’ organisations than those of modernism (Whittington et al, 2005). The modernist traditional forms of rationality are insufficient to describe and understand the complexity of management (Kuchinke, 2003) and postmodernism. However, even with its paradoxes, modernism can be a good alternative.

Regarding their nature, modernism and postmodernism are not totally contradictory, but some paradigmatic differences exist. The philosophical bases, ontology and epistemology help understand the main ideas of both paradigms. Ontology refers to a fact that researchers are investigating it (Keat et al, 1975) and the main question in ontology is what the cognitive nature or reality (Babich, 2003) is. Ontological centre of modernism is objectivism, i.e., a belief in an external reality whose existence is independent of knowledge of it: the world exists as an independent object waiting to be discovered (Hatch & Cunliffe, 2006). Modernists take the world as constituted by a collection of objects - human beings are autonomous subjects whose interests and desires are transparent to themselves and independent of the interests and desires of others (Calás et al, 1999). Modernist idea as "atomistic" ontology fits to the studies of Bacon and Descartes (Hollinger, 1994). Modernist ontology expresses confidence in the future, in technology and in human ability to create forms that enable progress and adventure (McAuley, 2007).

In an ontological level, in contrast, postmodernists believe that nothing exists separately (Hatch & Cunliffe, 2006) and they assume the world's fundamental constituents to be relationships. "*Ontology in postmodernism is nominals and there is no unique objective knowledge or reality but there are separate and multiple interpretations*" (Taboli et al, 2013). Modernism maintains that there is a real truth, postmodernism holds that this truth is probably the viewpoint of some dominant groups in society and should not be privileged over another viewpoint (Holtzhausen, 2000).

Epistemology deals with recognition. Epistemology is a kind of scale for measuring knowledge (Taboli et al, 2013). It is a theory of knowledge that tries to obtain knowledge for knowledge and make a reality legal in a specific complex (Denhardt, 2000). The main question is - what the relationship between the researcher and the object is (Babich, 2003). The epistemological idea of modernism is positivism - a real, relatively stable, and objectively given world populated by phenomena that can be rationally known and rationally analysed by independent observers (Lakatos, 1976). Positivism for a modernist approach covers the understanding, manipulation, and control of predominantly physical phenomena for beneficial social ends (Colander, 2006; Mirowski, 1989). The aim of modernist theories, epistemologically speaking, is to portray reality in deep and highly structured ways (Inns et al, 1996). Epistemology can be described in organisational level, where under modernism, organisations are taken as objectively real entities operating in a real world. Well-designed and managed modernist organisations are systems of decision and action driven by norms of rationality, efficiency and effectiveness directed toward stated objectives (Hatch & Cunliffe, 2006). Modernist management believes that there is only one way of doing - the rational way (Gergen et al, 2004; Simha et al, 2010; Tikhomirov, 2011). Postmodern epistemology, based on a variety of ideas and pluralism, enables a new interpretation to be reached. Increasing pluralism

in thoughts, rejecting paradigm consensus and rejecting grand theories are characteristics of postmodern thinking. Postmodernism emphasises paradox, localism and pluralism (Kilduff et al, 1997) – there is no one best way of doing (Brown, 1996; Kanigel, 1997; Payne et al, 2006). For postmodernist organisations sites for enacting power relations giving rise to oppression are irrationality and falsehoods but also humour and playful irony; as they are texts or dramas, we can rewrite organisations so as to emancipate ourselves from human folly and degradation (Hatch & Cunliffe, 2006).

Modernists try to discover the universal principles and laws that govern organisations, defining the theories that explain them and/or their performance and developing methods to test theory and its implications, they emphasise structure, rules, standardisation and routine (Hatch & Cunliffe, 2006). Although several authors (Carter et al, 2004) argue that order and organisation are thus transient achievements based on an infinite rather than a limited set of possibilities, most of the researchers rather see the modernist principles to limit inherent complexity and potentiality. Alvesson and Deetz (1996) see modernism as the instrumentalisation of people and nature through the use of scientific-technical knowledge (modelled after positivism and other "rational" ways of developing safe, robust knowledge) to accomplish predictable results measured by productivity and technical problem-solving leading to the "good" economic and social life, primarily defined by accumulation of wealth by production investors and consumption by consumers.

The loss of stable mass markets, a world fragmented and "loosely connected" in "a new age of information, computers, mass media and mass communication are indicators which should explain the need for postmodern management in organisations (Docker, 1994). The rise of postmodernism is clearly connected to changes in society and their impact on the organisational level. Postmodernist management is appropriate for a post-industrial period (Welge et al, 1999) and postmodernism is therefore important to management, as a newer state of knowledge has progressed business from industrial to post-industrial times (Schachter, 2010; Simha et al, 2010). Although several authors see postmodernism and modernism as two different and clearly distinguished paradigms (Griffin, 1997), some authors (Lyotard, 1993) argue that postmodernism does not aim to replace modernism but merely to displace its centrism as the dominant discourse (Holtzhausen, 2000). Modernism and postmodernism are not so much competing alternatives as alternative moments in a single dynamic process of human adaptation to both natural and social phenomena (Boisot et al, 2010).

The interpretation of McAuley, Duberley and Johnson (2007) summarises best the human behaviour in an organisation (see fig. 2) in terms of paradigms. They compare human behaviour as a necessary response, or effect, directly caused by an external stimulus, or a set of stimuli and human behaviour as an outcome of

the culturally derived meanings, interpretations and understandings human actors attach to what is going on around them. The first version characterises the modernist paradigm and the second one the postmodernist paradigm.

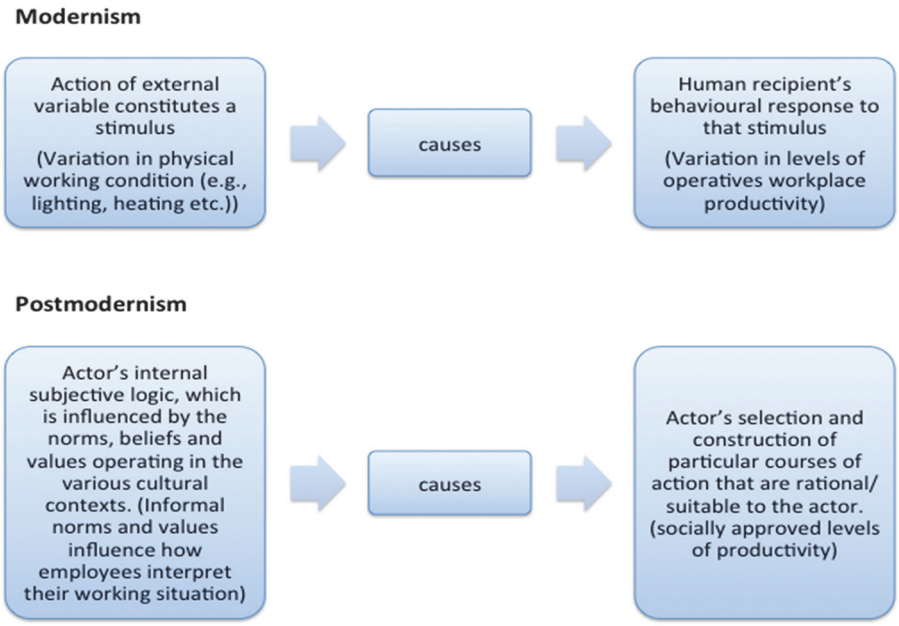


Figure 2. The main drivers of behaviour in modernism and postmodernism. Source: author's figure according to McAuley, Duberley and Johnson (2007:37)

Postmodernism in management is also a crucial construct (Smith, 1995) - postmodernity means "many different things to many different people", and consequently postmodernity is "a state of mind" (Bauman, 1992). Postmodernism is still differentiated from modernism through the states of knowledge that defined the eras and postmodernism is like breaking apart of modernism (Bauman, 1992). Postmodernists try to deconstruct organisational behaviour so as to reveal managerial ideologies and destabilise modernist modes of organising and theorising, favours marginalised and oppressed viewpoints: encourages reflexive and inclusive forms of theorising and organising (Hatch & Cunliffe, 2006). There are many forms of postmodernism that entwine, interact, conflict, contest and play with each other to present "unpredictable combinations" (Docker, 1994).

The "real" postmodernists (mostly philosophers) do not fully agree to the interpretations of postmodernism in an organisational and management level. They even argue that although postmodernist managers, researchers were suspicious of systemic modernism (Fordism and Taylorism) they did not appreciate the nuances of postmodern theory (Bøje, 2006). Consequently, the

"language of postmodernism" changed in organisational level, but somehow it is understandable, because describing the organisational level, the relationship must be less philosophical and more practical. Management gurus are "blamed" for calling for "postmodern management" but confusing post-Cartesian with liberal democratic governance and Peters (1993) professed deconstruction in ways that centred control at the top. The postmodernist practitioners are also "blamed", i.e. although they propagate postmodernist values, the implementation of those values is not managed. Managers promise workers "empowerment" while not allowing worker-power to grow (Bøje et al, 2001).

Although postmodernism and modernism are opposed in some principles, without modernism, postmodernism would never have come into existence (Yeatman, 1991; Boucher, 1999), several important postmodern principles are stronger, because modernism gave are good base to go on (Barratt et al, 1989; Burrell, 1988; Cooper et al, 1988; Parker, 1992).

1.2. The concept of values

There are many different approaches and definitions for the term "values", but no consensus about the nature of values (Nonis et al, 2001; Schwartz, 2012; Woodward et al, 2014). Usually the researchers' approaches are based on their own interests and needs in defining the concept of values (Rohan, 2000), although several authors have already tried to clear the content (Jaakson, 2010; Ofori et al, 2010; Woodward et al, 2014). One of the key issues is connected with the term "value", which is used differently within different disciplines. For example, in economics, the "value" is mostly used and interpreted as a financial value and "corporate value" in economics expresses the monetary market value of an enterprise. In his detailed– approach, Hamman (2011) argues that the use of word "value" is incorrect in individual level - an individual has an orientation or endorsement toward a value and an individual does not "have a value". Despite that, the majority of academic society uses the term "value" instead of "value orientation" (Woodward & Shaffakat, 2014). Beyond different conceptions, there has been considerable interest in defining and measuring values (Dylág et al, 2013).

Another confusing issue is connected with the level of values interpretation and expression. The concept of values is multifaceted (Abreu et al, 2008), meaning that values may be expressed in different levels – individual and organisational level (Posner et al, 1992), occupational, organisational and national level (Hofstede, 1989), real and propagated level (Titov et al, 2013). These different value levels show which individual values coincide with values held by others at either the organisational or national level. It is important to distinguish between the group and the organisational level in the studies of organisational culture and success – if there are several groups inside the organisation, the group values and organisational values should be in line with the organisational values.

Values are expressed in hierarchy (Feather, 1995) and the basis of the hierarchy is their importance for their owners. In an individual level, several researchers have argued about the shape of perception, attitude and behaviour of a person who owns hierarchically ordered values, (Rockeach, 1973; Schwartz, 1992). Every person may have many values, but just having the right value is not the most important, but how high this value is in a person's value hierarchy – the one which is in a higher level, will be more influential in determining behaviour (McDonald, 2004). Both in individual and organisational level, the values are prioritised and form hierarchies according to their importance for a person or an organisation (Feather, 1995, Bardi et al, 2009). "Core" values are those that have impact on people's behaviour and their action prevails over that of other values in the value hierarchy (Pant et al, 1998). Several authors have described the values hierarchies in individual level (Schwartz, 2012; Melé, 2012b). According to similar principles, also value hierarchies on the organisational level are created (Beck et al, 2005; Lencioni, 2002), but according to their theories, the hierarchy is not the hierarchy of sole values but that of value groups.

Schwartz (2012) points out five common characteristics in value definitions – values are beliefs, they concern behaviour or desirable ends, transcend specific situations, guide the choice or assessment of the situation and follow an order of importance. Several researchers have analysed why people may hold a principle or value in individual level and those are intrinsic reasons (meaningfulness and importance (Veage et al, 2011)), extrinsic reasons (pressure from the others to have this value) (Emmons, 1986; Sheldon et al, 2001; Veage et al, 2011)), identified reasons (firstly extrinsic, but become intrinsic) and avoidance of guilt or shame (Emmons, 1986; Sheldon et al, 2001). According to Woodward and Shaffakat (2014), there are some general elements in different approaches of values, like values are understood as standards and guiding principles, values are abstract and connected to many other concepts; values are learned and remain relatively stable over time, values exist in hierarchy and values influence people's choices. Generalising the different views, the values are interpreted as beliefs, standards, principles, preferences, but different authors mostly agree that values play an important role in behaviour and are influenced by the external environment.

1.2.1. Individual and organisational values

The definition by Rokeach widely used in the individual level values, – defines the value as an enduring belief, a specific mode of conduct, which is preferable to other modes (Rokeach, 1968). Some researchers, like Drumm (2000), emphasise the values' part in behaviour - values are principles or standards that guide individuals in their daily lives; or Miller (2007) - values help individuals in their choice of action or behaviour in a particular situation or setting. The impact of values is important, because they influence the most basic ways in

which people perceive their environments (Meglino et al, 1998). Schwartz (1994) defines values as desirable, transsituational goals varying in importance that serve as guiding principles in people's lives. In this definition Schwartz does not distinguish clearly organisational and individual level values and the definition suites also for the organisational level. Values are like goals to serve the interests of a social group, motivate its behaviour and functioning like voluntarily enduring standards or benchmarks (Schwartz 1992, 1994).

As an organisation cannot exist without people, and every person has individual values, it is easy to conclude that a basis of all the organisational values is a set of individual values of employees (and manager). Organisations as such have no values but because they are composed of people, their cultures are shaped by values that are shared in varying degrees (Hultman, 2005). Therefore, the first step in discovering an organisation's values is to discover the personal values of its members. According to Collins (1996), organisational values cannot be "set"; they can only be "discovered", because the organisational values do not "appear" but "reveal" in behaviour. Values are not something that people buy in to. They must be predisposed to holding them (Collins, 1996). It is hard and takes a long time to change the values, especially when people are not willing to learn. One of the main competences in a today's organisation is to find people who already have the disposition to share the organisation's values (Collins et al, 1994). If the organisation is filled with a multiplicity of views, then there is no consensus of individual values and beliefs (Crane, 2000). Such a fragmented culture may be caused also by high employee turnover or by insufficient shared history of experience (Schein, 2004). Individual's values are already a part of every person and no one from outside can say that those are good or bad. It is the company's responsibility to set the standards of behaviour based on the organisation's statement of values (Salopek, 2001). Behavioural norms are rooted in core values, and leaders and followers are able to reach agreement even with diverse points of view (Block, 1991). Core values of an organisation are described as "central and enduring tenet" (Collins et al, 2001) and as the values that have real impact on employees' behaviour (Pant et al, 1998). Core values are the basic values, which everyone in the organisation shares and truly believes in, i.e., core values in an organisation have an internal meaning and significance to organisational members (Van Rekom et al., 2006). They should describe the priorities and guide the behaviour and attitudes of the staff working within the organisation.

The definition of organisational level values is generally rewording of an individual level definition, i.e., values in an organisation are deeply ingrained principles that guide the actions of the organisation. They are "enduring beliefs" that specify a mode of conduct; they specify what is and is not acceptable behaviour within an organisation or work group (Sjoberg, 2006). Still more clearly, Bell (2007) defines organisational values as a set of acceptable or expected norms or bounds of behaviour for the individual members of an

organisation. Dose (1997) brings in the aspect of decision making – values are estimated standards according to which members of an organisation make decisions what is "right" or why one alternative is preferred to another. Values are often defined as beliefs or guiding principles that are core to the organisation and help steer the right actions (Speculand et al, 2008).

Individual and organisational values are connected through "work-value congruence" that impacts behaviour and organisational functioning. Work-value congruence describes the congruity between personal and organisational values (Chatman, 1994). For organisational values to be beneficial, the individuals that make up that organisation must share the same core values as the organisation emphasises (Berkhout et al, 2007). Organisational values must be shared by the members of the organisation in order for the organisation to be successful. Values that are shared will affect performance in a number of ways. Employees can make better decisions because of the perception of shared values. When employees know what the company values, they are more likely to make decisions that will support those values (Kane, 2009). Shared values assist in creating unity in a team and lead to consistent behaviour (Maccoby, 1998). In addition, when values are shared, management knows what kind of work and behaviour to expect (Argandona, 2003) and in contrast, individuals with different values tend to emphasise different outcomes and are driven to achieve different goals (Berson et al, 2005). Therefore, the understanding and deciding which values are more significant to one's workplace, perceiving and defining them in a way that is compatible with one's self and then rating them according to their significance for an organisation is critical in managing values at work (Williams, 2011).

The congruence of personal and organisational values creates confidence values for employees and therefore supports their work engagement (Dylag et al, 2013). Employees who feel that an organisation values the same things that they do will be more likely to have attachment to their organisation (Amos et al, 2008; Goodman et al, 1999), they are more likely to have positive attitudes and less likely to leave the organisation (O'Reilly et al, 1991), they feel more loyal and committed and identify more strongly with the organisation (McNaughton, 2003) and the performance is going to improve (Bergeron, 2007; Sharma et al, 2009; Schwepker, 2001; Cable et al, 1996; Lee et al, 2005). All those factors in turn are in positive correlation with organisational success (Bretz et al, 1994).

The number of authors who confirm the importance of congruence between individual and organisational values is equal to those who discuss mismatch to be one of the reasons for organisation to be unsuccessful (Finegan, 2000; Forsman, 1990; Klenke, 2005) and mostly because the employees who feel that their values are widely different from those of their employer organisation are more likely to leave the organisation, taking valuable knowledge with them or just talented people vanish for that organisation.

The mismatch of personal and organisational values can be one of the key risk factors for the development of occupational burnout (Maslach et al, 1997). Without clear organisational values, people will behave according to their own individual value system, which may or may not be in line with the organisation's goals. Discrepancy between personal and organisational values can cause insecurity and disengagement, which may lead to job burnout with cynicism about the working environment as its core component (Dylag et al, 2013). Mismatch between organisational and individual values may lead an employee to leave an organisation (Vancouver et al, 1991; O'Reilly et al, 1991). The perceived mismatch between the two level values might not be only a moral problem but also caused by different kinds of organisational problems (Woodward et al, 2014) and those mostly lead us to managers' behaviour and managers' ability to acquire and "sell" organisational values to employees. If there is no conflict between individual and organisational values, individuals tend to take over organisational values, although this process is not always conscious (Liedtka, 1989).

1.2.2. Real and propagated values

Not only the owning and sharing of core values is important, but also the values should be conscious, accepted (Jaakson, 2010) and implemented into behaviour. Veage et al. (2011) are arguing that the level of implementation is important because of two reasons (how many of values are "living" ones) and success of living principles reasons (how successful the implementation is). Every organisation has its own pattern of shared values and beliefs that help individuals understand organisational functioning and thus provide them with norms for behaviour in the organisation (Berson et al, 2005). The values of an organisation must be turned into action through strategic and process values.

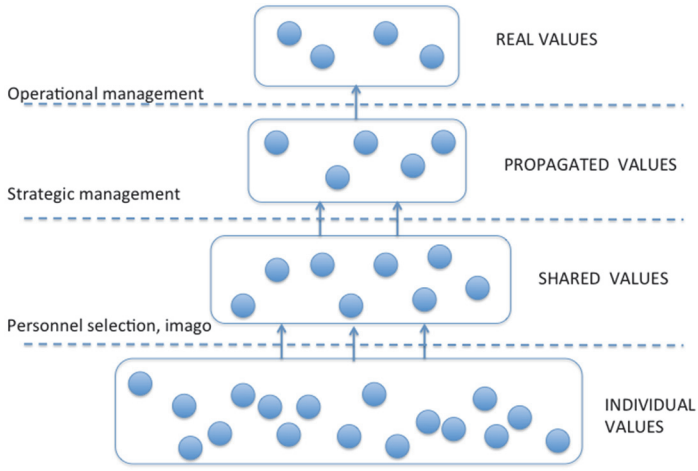


Figure 3. Formation of real values of an organisation. Source: Compiled by the author.

Employees are entering an organisation having their own value systems and hierarchies. Everyone has his/her own core values. Organisations must select those whose values are congruent with the organisational value to give the basis of forming the shared values (Frieze et al, 2006). Employees have many different values, but only those which are shared form the basis of organisational culture (see Figure 3). There are two important filters that could influence the kind of people (having different values) entering the organisation: image of the organisation (what kind of people are attracted to run for) (O'Reilly et al, 2000) and according to which criteria and how the employees are selected (manager's values as a key factor).

In the management level, some of the values are prioritised and propagated to be the most important values in this organisation. Those propagated values are determined by the managers according to their own values, knowledge, organisational strategy and outside impacts (management school, experts´ opinion, competitors´ activity etc.). If the shared values are supported by the values propagated by managers and values that they propagate are congruent with the shared values and managers' behaviour, only then the values reveal in the behaviour of the employees. Congruence between different level values supports the organisational success and the positive outcome can be expected. If the shared and propagated values are not compatible, then the expected values are not implementable and negative consequences are following. Practiced (real) values refer to the implementation of the values that are propagated by the organisation (Jaakson, 2010). Every organisation has its own value system which reflects and describes the organisation's behaviour.

Therefore, the manager has a key influential role whether the propagated values become real values of the organisation, motivating employees to follow necessary values (Haslam et al, 2010; Whitmire, 2005; Bell, 2007). Values become real for staff members when they compare intentions against performance, i.e., they are verified through everyday actions of their leaders (Speculand et al, 2008). A key metric of good management is whether clear and consistent values have permeated the organisation (Klenke, 2005). Managers must understand that no matter how good the propagated values are, employees will see, believe and do what is seen, not necessarily what is said, i.e., employees rely on real values rather than bureaucracy and control (Ouchi, 1979). A number of studies have discussed the relationship between values and managerial behaviour (Woodcock et al, 1989; Huo et al, 1991). Employees have to see organisational leaders demonstrating the values in order to observe the spirit of the values and understand their significance. If the managers' behaviour and words are not in line, then it may cause employees' cynicism (Biron, 2010) or justification of their own unacceptable behaviour (Simons, 2002).

Jaakson, Reino, Vadi, (2009) give two recommendations how the managers should support the value implementation process: managers could enhance the

process of formulating organisational values according to their personal convictions and not necessarily aim for the alignment of these with the values of all employees and managers have to be constantly hands-on, personally solving various smallish and serious incidents at work. Managers' first obligation is to keep organisational values alive (McGregor, 1967) – values must be more than words – they should be revealed in behaviour (Mayton et al, 1994; Rokeach, 1973). Also, Maccoby (1998) distinguishes propagated values (although he names those ideal values) and values which describe behaviour, emphasising the importance of gap between the ideal and the actual value and decisions needed to close this gap. Only then propagated values will change to real values. The process of establishing and verifying common values requires open, honest communication and sharing of what is important to each individual (Gillespie et al, 2004; Seevers, 2000).

1.2.3. Modernist and postmodernist values

Values change slowly, but they still do. Although sticking to the core values is one of the key prerequisites in the sustainability of an organisation (Collins et al, 1994; Moon, 2001; Schein, 2004; Edvardsson et al, 2006), the organisational values should be understandable for the employees and match with the expectations and needs of society and possibilities in economy. Therefore, one of the management dilemmas is connected to manager's ability to manage values and make a decision whether the values need change or renewing.

Since the individual values have changed over time, the organisational values should also change (Henson, 2008; Titov, 2014). The traditional organisations no longer serve in the current environment; new principles need to be available (Long, 1999). Postmodernism describes the organisations where individuals are more open, present, authoritative, and vulnerable, i.e., "culture of openness" should be launched as the core of a humane and successful postmodern organisation (Hirschhorn, 1998). Old managerial methods and paradigms will not disappear easily, processes and behaviour have remained the same over a quite long time and managers and their tools have not changed (Titov, 2014; Virovere et al, 2013; Denning, 2012) or have not changed fast enough (Titov et al, 2013; Zernand – Vilson et al, 2010; Varblane et al, 2008).

Modernism and postmodernism have clear principles, but in real life the differences are hard to follow. The organisation has many characteristics whereas some of them may refer to modernism and other ones to postmodernism (Titov, 2014). Although modernism and postmodernism are not widespread wordings in the management field, several researchers have emphasised the change (or need for change) in management describing the old and new (or expected) situation: the firm as a nexus of contracts vs. the firm as a community of persons (Melé, 2012b); quality based management vs. human based

management (Titov et al, 2013), healthy side of management vs. smart side of management (Lencioni, 2012); transactional vs. transformational leadership (Burns, 1979); theory X and Y vs. theory Z (Ouchi et al, 1978).

Modernism is defined as the instrumentalisation of people and nature through the use of scientific-technical knowledge to accomplish predictable results measured by productivity and technical problem-solving leading to the "good" economic and social life, primarily defined by accumulation of wealth by production investors and consumption by consumers (Alvesson et al, 1996) and postmodernism is considered to be the next school to satisfy the needs and expectations of members of changed society. The postmodernist organisational form has been used as a contrast to modernist bureaucratic forms of organisation. Drucker (1996) meant by postmodernism a shift from the Cartesian universe of mechanical cause/effect (subject/object duality) to a new universe of pattern, purpose, and process. Instead of the static bureaucratic organisations, postmodernism describes loosely coupled, fluid, organic, and adhocratic organisations (Hardy et al, 1999). Postmodernists emphasise difference, multiplicity, variety, diversity within and between human beings and the social practices they engage in (Griffin, 1997).

As the modernists believed that humans can operate purely out of their own will (Law, 1994) without any influence from outside, the idea and importance of values was interpreted only in individual level - individuals determined their own values, irrespective of the effects on humanity (Bohn, 1992). In contrast to the belief into an almighty and independent individual in modernism (Collins, 1992), postmodernism emphasises the influence of history, culture, society, class, and gender on the individual (Küng, 1992). Modernists believe in rationality, order and efficiency as the important values in an organisation and emphasise the importance of hierarchy in the structure and in relations. For modernists, employees are tools, which an organisation can use to achieve the organisational goals. Postmodernists believe that there are always many alternatives and solutions and organisations are just a "human community" which helps people to use their potential for achieving shared goals (see Table 1).

The paradigmatic shift indicates the change in management and describes some part or parts need to be changed in organisations in order to adapt into changing society. The organisations which are centred to their customers, take risks and learn from mistakes, have capability and experience at creating change are good examples of contemporary organisation (Senge, 1990; Nadler, 1998). Table 1 shows the main values distinguishing modern and postmodern management paradigm.

Table 1. Comparison of modernist and postmodernist values according to management characteristics

	Modernism	**Postmodernism**
Management philosophy	short term orientation (profit) (Ducker, 1996; Clegg 1992) efficiency "doing things right" (Kanigel, 1997; Gergen et al, 2004; Welge et al, 1999; Carter et al, 1987; Chia, 1995; Clegg, 1990; Rosenau, 1992; Morgan, 1986; Kemp, 2013) bureaucracy (Morgan, 1986; Clegg, 1990, 1992; Alvesson et al, 2002; McAuley et al, 2007)	long term orientation (sustainability) (Drucker, 1996; Denning, 2012; Clegg, 1992) democracy (Nicoll, 1998; Clegg, 1990) open system (Prahalad et al, 1990; Clegg, 1992; McAuley et al, 2007; Kenney et al, 1988; 2009) effectiveness "doing the right things" (Gergen et al, 2004; Welge et al, 1999; Chanlat, 1994; Kemp, 2013)
Management tools	control (Kemp, 2013; Burrell et al, 1988; Hatch, 1997; Alvesson et al, 2002; Shenhar et al, 1996; Reed, 1993) one right solution (Abrahamson, 1996; Hassard et al, 1993; Kanigel, 1997; Gergen et al, 2004; Simha et al, 2010; Tikhomirov, 2011) authority of manager (Han et al, 2009; Taboli et al, 2013; Alonso, 2007; Bøje & Dennehy, 1993; Reed, 1993) rules and regulations, (Gephart, 1996; Hatch, 1997; Watson & Chileshe 1998; Hummel, 2006; Bøje et al, 1996). rational decision-making (Gephart, 1996; Miller, 2007; Bøje et al, 1996; Reed, 1993).	empowerment (Bøje & Winsor, 1993; Kemp, 2013; Calas et al, 1999; Han et al, 2009; Bøje & Dennehy, 1993; Clegg, 1992), trust (Fukuyama, 1995; Warwick et al, 1980; Denning, 2012; Clegg, 1992) clear vision (Bergquist, 1993; Nanus, 1992) conversation (Bergquist, 1993; Witherspoon, 1997; Nanus, 1992) there is no one best way of doing (Brown, 1996; Kanigel, 1997; Payne et al, 2006) involvement (Sayles, 1989; Watson et al, 1998; Jenner, 1994)
Work organisation	formal (Carter et al, 1987; Chia, 1995; Clegg, 1994; Rosenau, 1992; Morgann, 1986; Watson et al, 1998) hierarchy-ordered (Carter et al, 1987; Chia, 1995; Clegg, 1994; Rosenau, 1992; Morgan, 1986; Gephart, 1996; Watson et al, 1998) standardised procedures (Hatch, 1997; Boucher, 1999; Metzgar, 2004; Bøje, et al, 1996; Reed, 1993) quantification (Boucher, 1999; Parker, 1992)	informal, participatory and more self-reliance (Taboli et al, 2013) incompatible, vague and dynamic (Hatch & Cunliffe, 2006) flexible (Welge et al, 1999; Taboli et al., 2013; Watson et al, 1998; Passmore, 1994). teamwork and collaboration (Hurley et al., 1992; Wooten, 2009; Clegg, 1990; Bøje & Winsor, 1993; Kemp, 2013) meaningful job (Nanus, 1992; Weick, 1995; Margulies et al, 1978) technology driven (Hatch & Cunliffe, 2006; Scott, 2003; Bøje & Dennehy, 1993)
Ability to change	rigid and stable (Carter et al, 1987; Chia, 1995; Clegg, 1994; Rosenau, 1992; Morgan, 1986; Hatch, 1997; Clegg, 1992). risk avoidance (Beck, 1992, 1994; Fox, 1999; Lupton, 1999; Miller, 2007)	ready to change (Clegg, 1990; Warwick et al, 1980; Hurley et al, 1992) ready to take risks (Hawkins et al, 2002; Miller, 2007) instability (Cooper et al, 1988; Yeatma, 1991; Burrell, 1988; Cooper, 1989; Parker, 1992)

Expectations for employee	employee as a machine (Calas et al, 1999; Cooper, 1989; Morgan, 1986; Odubiyi 2008; Parker et al, 2011) discipline (Watson et al, 1998; Bahnisch, 2000) determinism (Bahnisch, 2000; Clegg, 1992) individualism (Clegg, 1990; Bøje et al, 1996) conflict avoidance (McAuley et al, 2007)	independence, autonomy (Fukuyama, 1995; Burke, 1998; Blanchard, 1994; Krau, 1995; Pollar, 1996; Reich, 1994; Watson et al, 1998) imagination, creativity (Alonso, 2001; Jenner, 1994; Shenhar et al, 1996) openness (Burke, 1998; Warwick et al, 1980; Hurley et al, 1992) happiness and fulfilment, and justice (Gellerman et al, 1990) self-control (Gellerman et al, 1990; Burke, 1998)
OD and HRD	training (Bolman et al, 1997) prioritised group (white western men) (Calas et al, 1999; Yeatman, 1991) linear development (Watson et al, 1998) individual effort (Clegg, 1992)	human and organisational development is prioritized (Nicoll, 1998; Burke, 1998) continuing improving (Bøje & Winsor 1993, Hurley et al, 1992; Watson et al, 1998; O'Connor, 1996). creation of shared knowledge (Bøje & Winsor, 1993; Milovanovic, 1995; Wooten, 2009) need for generalists (Ettorre et al, 1994; Manville et al, 1996; Reich, 1994) use of human potential (Margulies et al, 1978) diversity (Bøje & Dennehy, 1993)

Source: compiled by the author

In some cases it is crucial to distinguish between modernism and postmodernism because different authors use different terms and sometimes the term has remained the same and only the content has changed. One good example is interpretation of the term "teamwork" (Bøje & Winsor, 1993; Kemp, 2013), which was a central term already in scientific management, but meant just a group working and did not reflect the word, as we understand it now – harmony, synergy and meaningful goal inside a team. The second example is the term "empowerment", where the idea of empowering people is totally different (Bøje et al, 2001; Bøje & Winsor 1993; Kemp, 2013). According to the modernist approach, empowerment is controlling people, but in the contemporary approach, empowerment is understood as the involvement of employees in the decision-making process, a managerial sharing of authority (del Val et al, 2003).

The values of the paradigm are not easily followed because of missing consensus about the common understanding how modernism and postmodernism are connected to organisational and management theories. As an "equal sign" between scientific management and modernism is common (Kemp, 2013; McAuley, 2007; Kanigel, 1997; Clegg, 1992 etc.), classifications like neo-modernism, post-positivism etc. remain in the "grey area" (McAuley, 2007). According to the main values presented in those theories, the approach can be classified to represent modernism or postmodernism. In the current situation

where the boundaries are "fuzzy" there is a struggle between values (Worley et al, 2003) and dominant values should be decided (Bradford et al, 2005).

To describe the management paradigm, the managers' values must also be analysed. As the values reveal in behaviours, the managers' values can be extracted according to the tools they use and how they behave. As a general trend, also in the level of managers' roles, everything has changed. More dynamic and flexible models of management may be required to guide postmodern (Barge, 1994) developments and the managers have many roles in contemporary organisations – a direction setter, a change agent, a spokesperson, a coach (Nanus, 1992), and a sense-giver (Weick, 1995). Managers' goal is to create an environment where risk is rewarded, innovation is supported and protected and teamwork is encouraged (Hawkins et al, 2002). Working in chaos and uncertainty is postmodern managers' everyday job (Witherspoon, 1997; Welge et al, 1999).

According to values, most of the organisations are modernist by their nature (Hassard et al, 1993; Thompson, 1993; McAuley, 2007; Jones, 2003); just a few of them may have single postmodernist values (Bøje, 2006). The postmodern organisation should be global, multi-cultural, network oriented, reactive, decentralised (Thompson, 1993), innovative (Tushman et al, 1996; Hayton, 2005), thriving towards a strong culture, information, knowledge and relationships (Thompson, 1993), trust and unlimited independence (Fukuyama, 1995).

In summary, no clear answers exist which values (postmodernist or modernist) are good or bad, but managers should recognise that changes in the society and environment necessitate them to look for solutions from different perspectives (Engholm, 2001).

1.3. Contribution of values to organisational success

Organisational success is not an unambiguous construct – success has many meanings and characteristics, every organisation interprets success in a slightly different way. "*There is no single definition of "a successful company" or a single measure of company success*" (Likierman, 2014) Despite that, several researchers define organisational success as an organisation's ability to reach its goals (Quinn et al, 1983; Cameron et al, 1983) or extent of fulfilment of the goals (Desion et al, 2004). In the postmodern school, sustainability is also defined as the most important characteristic describing success (Collins et al, 1994; Drucker, 1996). Some of the authors equate success with high performance (Brooksbank et al. 2003), with organisational growth (Perren, 2000), with profitability (Jarvis et al, 2000), with manager's personal success (Walker & Brown, 2004) and with the sustained satisfaction of owner (Jennings

& Beaver, 1997). Organisational success is crucial phenomenon and is really an interpretation of key factors, not a fact (Likierman, 2014). In modernist world the success is described through financial measures (Jennings & Beaver, 1997) - performance which is based on a run of years of conventional financial measures, often profitability or return on assets compared to peers or a wider sample of companies (Likierman, 2014) and mostly describes the success of past activity. Although, these measures are relatively easy to define and administer, they ignore an alternative criteria for defining success - personal objectives of the manager (Simpson et al, 2012). Flamholtz emphasises, that organisational success can only be defined through a set of tasks (define markets, develop products, manage resources, build up operational and management systems and create appropriate culture with shared values) and these tasks must be performed in a stepwise fashion in order to build a successful organization (Flamholtz, 2009).

As was described above, values have an important and central role in organisations. Values affect everything that an organisation does, and affect the organisation's conduct in all of its programs, from financial to maintenance to marketing to human resources (Biery, 2001); values have a central role in organisational functioning (McKinsey 7S model), in strategic management (Lawler, 2006; Greek, 2002). Values are the centre of an organisation - "*it may not be possible to have an excellent company without clear values, and the right sort of values*" (Peters et al, 1982). Peters and Waterman even declare that all successful organisations need to have clear and well-defined values, which inspire every employee (Peters et al, 1982). Organisations that focus on shared values are more likely to experience long-term success than those that do not (O`Reilly et al, 2000; Buchko, 2007). The people inside the organisation should be compelled by the values to create long-term success for the organisation (Collins et al, 1994).

Several researchers have confirmed strong connection between organisational success and organisational culture. Values are in the centre of a general framework of an organisational culture (Udovićić, 2006). Organisational culture is defined as a system of values which belongs to the vital factors, which determine the success of an organisation (Peters et al, 1982) and as a system of common living ideas about values and beliefs and also as a composition of symbols, rites, mythology, which gives basic ideas about values and beliefs (Ouchi, 1981). Whereas the values are a key characteristic of organisational culture, the connection between culture and success shows also the impact of values on success (Kabanoff et al, 1995; Kabanoff et al, 1996; Kabanoff et al, 2002). Effective organisations tend to have strong cultures (Davenport, 1993, Saffold, 1988).

Definitely, organisational success is also defined through behaviour, which is connected to higher job performance and job satisfaction. Those issues are in

turn linked to organisational values. Researchers argue that clear and shared values of an organisation lead to higher employee performance (Edwards et al, 2007; Bowen et al, 2004; Denison, 1996; Sels et al, 2006; Kane, 2009; Fitzgerald et al, 2004; Schyns, 2006; Hambrick et al, 1988), higher service quality (Burke et al, 1996), higher job satisfaction (Deal et al, 1982; Davidson, 2005; Westerman et al, 2004; Ravari et al, 2009), greater employee loyalty and higher adaptability to change (Keen et al, 2011), higher commitment (Benabou et al, 2003; Boxx et al, 1991; Posner et al, 1993), high involvement (Batt et al, 2011). If the employees feel meaningfulness and significance of their work, their job performance is higher (Colvin et al, 2007). The organisation should create a culture in which employees are empowered to act in ways that are mutually beneficial to the organisation and themselves (Buller et al, 2012). Those employee-based indicators are associated with positive organisational outcomes. Social capital has a strong positive effect on firm performance (Westlund et al, 2010).

Sustainability as one of the descriptors of success is also differently understood (Martin, 1992), but in the management field sustainability is defined mostly as an organisational ability to act successfully in the market for a long time. Either success or long time is not defined more clearly. Sustainability might be also taken as one of the leading values and not only a target or a goal (in the meaning of success). Usually managers develop their own values and beliefs towards sustainability based on their education and enculturation into their subculture (Linnenluecke et al, 2010) and it is up to a manager whether sustainability is of terminal or instrumental (Rokeach, 1973) value. Organisations that value and work hard to implement core values are more sustainable. Clear and real core values need no justification and they do not change with trends and fads of the day or with political or economic conditions. Values create bases for an organisation to be and stay sustainable (Zernand et al, 2009; Raich et al, 2008).

Several authors have formed different hierarchies (Melé, 2012b; Schumacher, 1973; Cowan et al, 2000) or categories (Lencioni, 2002, Biery, 2001) to describe the impact of different values on an organisation. All those models of values are systems, which are trying to clarify what kind of values an organisation should implement. Although value models are based on different criteria (Melé and Biery – based on ethical principles, Schumacher – based on economical welfare, Beck and Cowan – based on management styles, Lencioni – based on values formation steps), the main goal is to understand or explain organisational success through the values. In addition, just sets of the values are quite popular (Blanchard et al, 1997; Peters et al, 1982; Schwartz, 1994).

Nevertheless, there is no universal set of core values that is right or proper. Organisations themselves have to create their set of core values, i.e. which values are the most important for them and describe their behaviour and strategy. Real organisational values most closely express and support the organisation's

identity. There are several authors who still have highlighted the importance of one or another value. Wallace (2000), Merrill (2008), Wang (2009) emphasise creativity and innovation, O´Reilly and Pfeffer (2000) prioritise values that are energising and involving employees – values like fun, fairness, challenge, trust, respect, community, and family. Many authors mark out cooperation and teamwork as significant values in every successful organisation (Melé, 2012a; Katzenbach, 1993; Crane et al, 2010; Kennedy, 1993). Values such as fairness (Moorman et al, 1993, Hultman et al, 2002; DeGeorge, 1999; Clemmer, 1993) and other ethical values are strongly tied with the organisational effectiveness and sustainability (Hultman et al, 2002, Melé, 2012a, Hunt et al, 1989; Singhapakdi et al, 1995; Singhapakdi et al, 1996; DeGeorge, 1999; Alas et al, 2004). Biery (2001) believes that there are certain core values that are essential to any organisation - justice/integrity, caring loyalty, and humility. Schwartz (2006) warns that a single-value approach ignores the assumption that behaviour and attitudes are guided by trade-offs among competing values that are implicated simultaneously in a behaviour or an attitude. Therefore, the importance of values systems, not single values, must be emphasised.

The connection between values and success can be analysed from two aspects: which are the values leading to success and how do they "match" the organisation? The "right values" are clearly connected to the leading paradigm (see Table 2) and it is clear that in contemporary research success is connected to postmodern values. Table 2 refers the values which are emphasised in literature as values which strongly effect organisational success or are essential in organisation to be as shared values in order to gain organisational success. At the same time the right column of the table 2 shows how the success can be revealed in organisation. Ethical values as the basic values are emphasised; it should be remembered that without them success is not possible, no matter what the other values or values organisation are. Ethical values reflect a wider environment where an organisation exists and "lead" over a management paradigm.

Table 2. Organisational values positively connected to success and different characteristics describing success.

Values leading to success	Success characteristics
creativity and innovation (Wallace, 2000; Merrill, 2008; Wang, 2009) values that are energising and involve employees – values like fun, fairness, challenge, trust, respect, community, and family (O´Reilly et al, 2000) cooperation and teamwork (Melé, 2012a; Katzenbach, 1993; Crane et al, 2010; Kennedy, 1993). fairness (Moorman et al, 1993, Hultman et al, 2002; DeGeorge, 1999; Clemmer, 1993) ethical values (Hultman et al, 2002, Melé, 2012a, Hunt et al, 1989; Singhapakdi et al, 1995, Singhapakdi et al, 1996; DeGeorge, 1999; Alas et al, 2004). justice/integrity, caring loyalty, and humility (Biery, 2001) employee loyalty and adaptability to change (Keen et al, 2011), involvement (Batt et al, 2011). Trust (Bibb & Kourdi, 2004)	higher employee performance (Edwards et al, 2007; Bowen et al, 2004; Denison, 1996; Sels et al, 2006; Kane, 2009; Fitzgerald et al, 2004; Schyns, 2006) higher service quality (Burke et al, 1996) higher job satisfaction (Deal et al, 1982; Davidson, 2005; Westerman et al, 2004), higher commitment (Benabou et al, 2003; Boxx et al, 1991).

Source: Compiled by the author.

It is not enough to know the right values – those values should be basis of everything that happens in an organisation and therefore the values should be clear for every member (Peters et al, 1982; Woodward et al, 2014), values need to be shared (O`Reilly et al, 2000; Buchko, 2007; Speculand et al, 2008), real and propagated values should be congruent (Haslam et al, 2010; Whitmire, 2005; Bell, 2007), individual and organisational values need to be congruent (Berkhout et al, 2007; Dylag et al, 2013; Amos et al, 2008; Goodman et al, 1999) and an organisation needs to stick to the core values (Collins et al, 1994; Moon, 2001; Schein, 2004; Edvardsson et al, 2006).

"*Changing the attitudes and behaviours of staff and achieving a higher level of organisational performance as a result of inculcating the values is a rare trait shared by the select few organisations considered the best in the world*" (Speculand et al, 2008).

2. METHODOLOGICAL APPROACH

2.1. Research philosophy

The paradigm centred approach is prevalent in the science world and usually the scientists choose a methodological paradigm which is more convenient for their studies and in line with their own experience and education. A paradigm is a philosophical and theoretical framework of guiding principles which are governing knowledge (Arbnor et al, 2008) and a set of rules and boundaries which tell how to behave (Baker, 1992); a paradigm is like a model how we see a reality (Silverman, 2013; Drucker, 2001). Paradigmatic approach raises some important questions like choosing one paradigm whereas another is clearly contradictive. However, some studies need both qualitative and quantitative methods or it is not possible and necessary to keep studies white and black as a paradigm says – we could lose some important aspects and creativity (Niglas, 2010). The contents of philosophical presumptions, problems, available and developed techniques, and methods, change at different rates and to different degrees over time (Arbnor et al, 2008) and a one-dimensional or a two-dimensional paradigm is going to limit the development of science (Hammersley, 1992).

Although the author's study is based on the idea of multi-paradigm, the pragmatic worldview is the nearest concept to link the important principles of this study. Therefore, pragmatism cannot be named as a paradigm because it is not committed to any one system of philosophy. This applies to mixed methods research in that inquires to draw liberally from both quantitative and qualitative assumptions when they engage in research (Creswell et al, 2007). A researcher having a pragmatist worldview is free to choose the methods, techniques and procedures of research that best meet their needs and purposes (Creswell et al, 2007).

2.2. Research design

The methodology of this thesis is explained by a mixed methods approach, which is the best to represent the philosophical positions of most investigators (Teddlie et al, 2009). A methodology is a mode of thinking, but it is also a mode of acting. It contains a number of concepts, which are trying to describe the steps and relations needed in the process of creating and searching for new knowledge (Arbnor et al, 2008). The principles of mixed methods are in accordance with a so-called "third methodological movement" (Tashakkori et al, 2003) or "a new way of thinking" (Green, 2007). The recognition that all methods are hybrids, emergent, interactive productions, productively extends the mixed methods-paradigm discourse (Hesse-Biber et al, 2008; Ellingson, 2009). By Plano Clark (2010) an increasing number of scientific work uses mixed methods and teaching of mixed methods research, an increasing number of key publications

and opportunities across disciplines, discussions about and application of mixed methods research appear regularly within scientific journals and those are mostly supportive.

A pragmatic worldview allows us to describe the methodology according to different criteria or scales and brings out the different methodological aspects more clearly. According to Teddlie and Tashakkori (2003), mixed methods allow researchers to answer more complicated questions and therefore to create new theories – to find important relationships in deep, to make more content-rich conclusions and to reflect different aspects of a phenomenon.

Research objects of this thesis are organisational values. Values have qualitative nature; despite that, most of the research models of values are quantitative in the technical level. According to the nature of the research object and the research questions, mixed methods approach (Tashakkori et al, 2003) is quite common in social sciences (Niglas, 2009). Methods triangulation or mixed methods (Denzin, 2010) can be distinguished in two forms: 1) combining several different qualitative methods and 2) combining qualitative and quantitative methods (Silverman, 2013; Flick, 2002). Although the second form is usually meant by mixed methods, the definition of mixed methods "use of two or more methods in research using both qualitative and quantitative data" (Cresswell et al, 2007) allows application in the second form. Therefore, in this thesis the first form is used, i.e., a combination of qualitative methods, which is also called a multimethod (Teddlie et al, 2009). A multimethod allows adoption of the paradigm appropriate to the type of data being collected (Hall, 2012), then using different sub-researches and different data collection methods. The research design follows the informed creativity principle, where the author is aware of traditional research rules, but also open for the new possibilities, having convincing reasons to change the traditional way (O'Leary, 2004).

Case study analysis is defined as "*a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence*" (Saunders et al, 2000). Case study is not clearly a qualitative or a quantitative research method, although mostly it is typed like qualitative (Baxter et al, 2008; Yin, 2003), the nature of the cases may refer to both types of research. Case study is often used to narrow down a very broad field of research into one or a few aspects (Yin, 2003). According to Bromley (1990), case study research is "a systematic inquiry into an event or a set of related events, which aims to describe and explain the phenomenon of interest". The case study research design is used for testing whether a specific theory and a model actually applies to phenomena in the real world, especially when not much is known about a phenomenon (Baxter et al, 2008). In this thesis, through cases, the managers/employees are able to describe their views of reality and this enables better understanding of the managers'

behaviour, which in turn allows description of the values which are "behind" behaviour.

To understand and explain the main idea of this research, a research model was constructed (see Figure 4). The model shows the link between paradigm values and organisational success. The link is explained through other types (propagated, real, managerial) and levels (organisational, individual, paradigm) of values and the congruence between them. Red lines denote necessary congruence between the values, but are not an object of this research and are described in the theoretical part of the thesis and in articles just as much as it is necessary to understand their importance in values management and for the values and organisational success model.

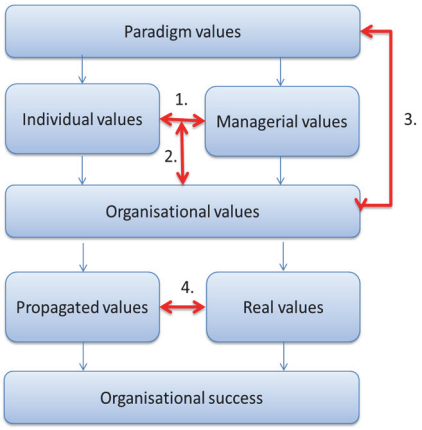


Figure 4. Values and organisational success model. Source: Compiled by the author.

Line 1 – congruence between individual and managerial values (Biron, 2010; Simons, 2002) *articles I, II*

Line 2 – congruence between individual and organisational values (Chatman, 1994; Berkhout et al, 2007; Maccoby, 1998; Dylag et al, 2013) *articles II, III, IV*

Line 3 – congruence between paradigm and organisational values (Hassard et al, 1993; McAuley, 2007; Jones, 2003; Bøje, 2006; Thompson, 1993; Tushman et al, 1996; Hayton, 2005) *article V*

Line 4 – congruence between real and propagated values (Klenke, 2005, Speculand et al, 2008; Jaakson, 2010) *articles III and I*

Blue lines show how wider level values impact the values of more narrow level and through that influence the organisational success.

2.3. Research techniques and procedures

There are several models widely used in the study of the organisational values. Quinn's competing values framework (Quinn et al, 1983) as a model for distinguishing the value systems and Schwartz model for investigating the individual values are only few examples of tools used also for the data collection of organisational values. Well-known tools (mostly questionnaires in this area) may give too restricted insight into the field (if we ask whether you prefer black or white, then usually one is chosen, but we are unaware if there any other

aspects which would describe the reality even better). Therefore in this thesis, according to the pragmatic paradigm and mixed methods principles, the methods that are as open and informal as possible – critical discourse analysis and case study analysis, are mainly used. Table 3 summarises different research methods used for the thesis (articles).

Table 3. Sample and data collection methods according to the research questions.

Research Question	**Article**	**Data collection method**	**Data source**
RQ1: Which values describe management paradigm (modern and postmodern)?	V	case study analysis	36 management cases
RQ2: Which values describe management in organisations?	I, II, III, IV, V	critical discourse analysis researchers triangulation	157 articles (2007) 165 articles (2009) 154 articles (2011) 60 conflict cases 68 reports 36 management cases
RQ3: Whether at all and how the propagated and real values differ in the organisational level?	III, IV	critical discourse analysis researcher triangulation case study analysis	60 conflict cases 154 articles (2011) 68 reports
RQ4: Which organisational values lead to success?	II, IIII	critical discourse analysis researcher triangulation case study analysis	154 articles (2011) 60 conflict cases

Source: Compiled by the author

According to the mixed methods approach, also appropriate sampling strategies are chosen. Sampling strategy involves the selection of cases for a research study using both probability sampling (to increase external validity) and purposive sampling strategies (to increase transferability) (Kemper et al, 2003). Purposive sampling means selecting certain cases "based on a specific purpose rather than randomly" (Tashakkori et al, 2003) and support the use of multiple qualitative techniques in the same study (Teddlie et al, 2007). The aim of such kind of sampling is to achieve comparability across different types of cases on a dimension of interest (Teddlie et al, 2007). Probability sample is planned to select a large number of cases that are collectively representative of the population of interest (Teddlie et al, 2007). Probability sampling leads to greater breadth of information from a larger number of units selected to be representative of the population (Patton, 2002). In general, probability sampling is representative to the quantitative data and purposive sampling to qualitative data and using both criteria in one study is characteristic of the mixed methods approach. In this study the sample consists of large numbers of different cases (external validity) selected according to a specific aim (transferability), which

allows answering qualitative research questions. Cases are analysed using qualitative data analysis methods and the part of the collected qualitative data is quantified.

The sampling process comprises several stages: defining the target population, choosing the sampling frame and sampling (Bhattacherjee, 2012). Table 4 gives an overview about sampling logic for this thesis. The author is interested in the management behaviour and values, therefore the target population of research described in the articles is Estonian organisations. Although the target population is Estonian organisations, access to all is impossible and more realistic sampling frames were chosen using the available sources (see Table 4).

Table 4. Formation of samples (compiled by the author)

	Article 1	**Article 2**	**Article 3**	**Article 4**	**Article 5**
Population	Estonian organisations				
Sample frame	Managers of organisations reading the magazine Director		Organisations represented by EBS students and managers of the organisation reading the magazine Director	Organisations represented by EUAS students	
Sample	Organisations whose managers have read 2007 and/or 2009 issues	Organisations whose managers have read 2011 issues	Organisations whose managers have read 2011 issues and employer organisations of students taking management course at EBS or TUT in 2011	Employer organisations of students studying personnel management at EUAS in 2011	Employer organisations of students taking HRM course at EUAS in 2012

Source: Compiled by the author

Altogether 640 different types of cases were collected and all the data were of qualitative nature (see Table 4). Usage of multiple data sources is a strategy which also enhances data credibility (Yin, 2003). Data were collected using a combination of external documents (articles) and personal observations (made by students and written down as cases). The strength of the case study research method is its ability to discover a wide variety of factors potentially related to the phenomenon of interest that may not be known in advance (Hussein, 2009). Ghosh and Chopra (2003) define qualitative data as data in the form of descriptive accounts of observations or data which are classified by type. Most of the collected data were also secondary data - originally collected or created for another purpose (Hox et al, 2005). Articles from the magazine "Director" are an example of secondary data, because the aim of the articles is obviously other

than describing propagated values. The used student work (conflict cases, reports and management cases) can be named as primary data - original data collected just for a specific goal (Hox et al, 2005) to analyse different aspects of management. For data collection, different formulas were used (pre-filled excel form to obtain comparable data from articles, students home assignment form and internship report form to collect management cases). The author decided to use the forms to define the field and the focus of the collected data. On the one hand, the research process where many stakeholder groups (students as data collectors, colleagues as co-authors and experts) are involved may lead to mistakes in data collection and interpretation. One the other hand, the forms cannot restrict the collection of content-rich data. Therefore, only a few common and more format-related aspects were pointed out in the forms.

There is no one clear research method to study organisational values, although several researchers tend to prefer qualitative methods. Commonly, different forms of mixed methods where data are collected according to principles of qualitative studies are used, but in data analysis and interpretation, both qualitative and quantitative results are presented. In the studies of values, the problem of propagated and real level values rises again in choosing the research methods. The propagated values are usually written down and the communication of propagated values is easy to follow (document survey and content analysis as common methods), but finding the real values is a more complicated task. The real values are revealed in behaviour and therefore the behaviour needs to be reflected honestly and carefully analysed. The author used the critical discourse analysis, the case study analysis and the researchers' triangulation to find descriptions for reflection of organisational behaviour where the use of organisational values was seen.

Fairclough (1992) defines the critical discourse analysis (CDA) as discourse analysis which aims to systematically explore often opaque relationships of causality and determination between (a) discursive practices, events and texts, and (b) wider social and cultural structures, relations and processes. Studies in CDA are multifarious, derived from quite different theoretical backgrounds, oriented towards very different data and methodologies (Wodak, 2001). 'Critique' is essentially making the interconnectedness of things" (Fairclough, 1995) visible. "Critical" means not taking things for granted, opening up complexity, challenging reductionism, dogmatism and dichotomies, being self-reflective in one's research, and through these processes, making opaque structures of power relations and ideologies manifest. "Critical", thus, does not imply the common sense meaning "being negative"—rather it means "sceptical". Proposing alternatives is also part of being "critical" (Reisigl et al, 2001).

To decrease the subjectivity of findings, researchers' triangulation was used to analyse all the data. Denzin (1970) defines the researchers' triangulation as a research process, which refers to the use of more than one researcher in the field

to gather and interpret data. It involves the use of multiple observers, interviewers, or data analysts in the same study for confirmation purposes (Thurmond, 2001). Triangulation allows us to strengthen the confidence of the research results (Arksey et al, 1999). Decrop (1999) indicated that triangulation can reduce and/or eliminate personal and methodological biases and increase the probability of generalising the findings of a study as the data are gathered from different angles and by different methods. As it is recommended (Guion et al, 2011), the triangulation was used subsequently, i.e., the evaluation team consisted of colleagues within a field of study wherein each investigator examined the data (cases in this research); the findings from each evaluator were compared to develop a broader and deeper understanding of how the different investigators view the issue (all the evaluators brought out values they thought to be relevant to a certain case/article). If the findings from the different evaluators arrive at the same conclusion (the same values were named), then the confidence in the findings was heightened. If the findings differed substantially, then further study is warranted to uncover the "true" and "certain" finding (Guion, 2002). To establish validity in the case of different findings, one more evaluator was asked to give his/her opinion. If the additional findings complied with those of previous researchers, the findings were added to the database, if not, then those cases were removed from the sample. Researchers' triangulation was used to analyse the following sources:

- Articles from the magazine "Director" (articles I, II, III)
- Cases describing conflict situations within organisations (article III)
- Cases describing organisational behaviour (article IV)
- Cases describing management of the organisations (article V)

As the multiple-case study enables the researcher to explore differences within and between cases, the author also used replication of findings across the cases. Carefully chosen cases allow us to predict contrasting results based on a theory (Yin, 2003).

3. RESULTS

Main results of this thesis are presented in the articles and the connection between the articles and the research questions is presented in figure 5, which shows how the articles add a little "puzzle-peace" to the answer to the research question (*How and which values are reflected in management cases in real and propagated level in 2007 – 2014 and whether those values predict organisational success)* and sub-questions and to fulfil the aim of the thesis.

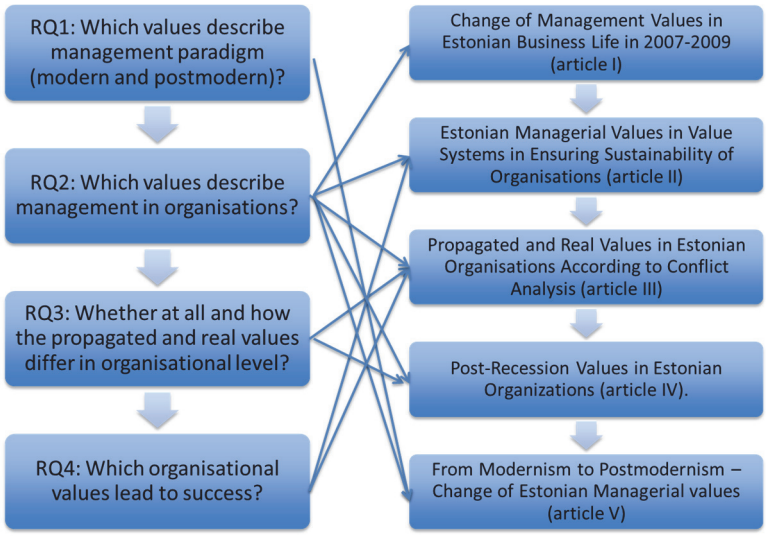


Figure 5. Connection between the research questions and former articles. Source: Compiled by the author.

The following results are presented according to the research questions and in every sub-paragraph the main results to answer a specific research question are highlighted.

All the articles helped to clear the concept of organisational values, discussions and results showed that managements' understandings of the values differ considerably and are sometimes even contradictory. As it is already described in the theory part of the thesis, the concept of organisational values is as narrow as words written down in the web-page or the strategy and sometimes as a "solution for everything".

Table 5. The amount of data and general findings according to the quantitative and qualitative character.

Art.	Type of values	Year of data	Amount of data	General quantitative findings	General qualitative findings
I	Propagated values	2007 and 2009	322 articles and 741 values	Innovation and creativity, communication and trust as main values	Pre- and post-economic regression values of organisations are different
II	Propagated values	2011	154 articles and 514 values	Communication and goal orientation as main values	Propagated values represent higher levels in value systems.
III	Real and propagated values	2011	60 cases and 144 values 154 articles and 514 values	Competence and cooperation as main real values and real values as profit orientation, individualism and fragmentation	Real and propagated values differ in organisational level
IV	Real values	2011	68 cases and 187 values	Values as competence, cooperation and development were most frequent	Real values of organisations differ according to field and size of organisation
V	Real values	2013	36 cases	-	Predominantly modernist values prevail in the Estonian organisations

Source: Compiled by the author.

The results reflect the values in organisations over quite a long period, starting from propagated values in 2007 to real values in 2012 (see Table 5).

3.1. Modernist and postmodernist management values

In this section all the data presented in articles I to IV are analysed as one dataset. Propagated values originate from the business magazine articles, from 2007, 2009 and 2011 issues (separately described in articles I and II). Real values originate from the cases collected by the students of EBS, TUT and EUAS in 2011 (separately analysed in articles III and IV).

3.1.1. Modernist and postmodernist propagated values

The analysis of propagated values showed clearly the two types of management values – modern and postmodern. The results of the study indicate that postmodern values prevail over modern values. About a quarter of the articles still

emphasised the importance of modernist values such as efficiency, stability, rationality etc. (see Table 6). In particular, the propagated values from the time of economic regression were modernism supportive. Somehow it seems that postmodernist values are just learnt to be important, but not assimilated and believed. In good times it is easy to follow the trends and external examples and demonstrate how caring and ethical an organisation is, but in bad times the real beliefs and convictions will appear. Although modernist values were represented, the postmodernist values clearly prevail among propagated values (see Table 6). Among 1285 propagated values, 29 different values, which were presented more than 12 times (more than 1% from whole sample), were analysed according to the postmodernist and modernist values (see theory in section 1.2.3). 13 different postmodernist values and 6 modernist values were represented. Remaining 10 values did not represent clearly either paradigm (see Table. 6).

Table 6. Frequency of postmodernist and modernist values among propagated values

Postmodernist values	**Frequency***	**Modernist values**	**Frequency***	**Other values**	**Frequency***
innovation and creativity	87	efficiency	35	caring	47
cooperation and teamwork	61	stability	29	goal orientation	43
communication	61	decision making ability	19	Competency	37
trust	60	economy	13	Transparency	28
enterprisingness	44	responsibility	14	customer orientation	26
employee valuing	31	rationality	14	Motivation	25
honesty	30	**Total**	**124**	Commitment	22
flexibility	27			self-confidence	15
courage and risk-taking	26			social responsibility	14
openness	25			Personality	13
vision-centred	25			**Total**	**270**
learning and development	24				
justice	17				
Total	**518**				

*frequency shows how many times this value appeared in different articles (476 articles from Director 2007, 2009 and 2011).

Source: Compiled by the author.

Results clearly indicate the paradigm shift, where postmodern values reflect in the articles presented in the business journal as an example or ideal. On the other hand, also modernist values are reluctant to disappear and some rooted values like efficiency and stability are still highly valued. According to the time period when the data were collected, some economy recession specific values appeared – economy as a need to cut the costs to stay alive and stability as a replacement for the profit–orientation. The value "decision making ability" describes a modernist value "one right solution", where the magazine articles clearly emphasised that it is important for the manager to make decisions quickly and without hesitation. Postmodern value "communication" indicates the importance of mutual communication between employers, employers and managers and between managers. This value also characterises communication between internal and external (partners, competitors etc.) groups. Although postmodern and modern paradigms are not opposites, there is an interesting result that at the same time risk-taking and courage and stability are propagated as important values. This result also describes the paradigm shift where values of one paradigm are not replaced by another.

Some important postmodernism values were absent in propagated values or not sufficiently represented. For example, values like sustainability, empowerment were valued only in some articles and managers did not consider having a clear vision about an organisation's future and motivating employees through meaningful job so important. According to postmodernist values, in addition, diversity and personality must be better propagated.

3.1.2. Modernist and postmodernist real values

Case analyses provided content-rich information about the real values of management and altogether 128 different cases were analysed and 301 values were matched to the behaviour described in the cases and written down by the experts. Analyses of real values allowed us to differentiate clearly the postmodernist and modernist values, but in contrast to the propagated values, the modernist values prevailed among real values. Among 301 real values, 32 different values presented more than 3 times (more than 1% from whole sample) were analysed according to the postmodernist and modernist values (see theory in section 1.2.3). Seven different postmodernist values and 11 modernist values were represented. Remaining 14 values did not represent clearly either paradigm (see Table 7).

Table 7. Frequency of postmodernist and modernist values among real values

Postmodernist values	Frequency*
teamwork and cooperation	21
development	13
initiativeness	9
innovation	8
openness	6
trust	6
flexibility	3
Total	**66**

Modernist values	Frequency*
fragmentation	24
individualism	22
profit orientation	15
employee as machine	10
motivation	10
authority of manager	8
efficiency	5
stability	5
order-orientation	5
economy	3
control	3
Total	**110**

Other values	Frequency*
Competency	29
Friendliness	18
Fairness	15
client-orientation	12
Quality	11
caring	9
Responsibility	7
external image	6
Irresponsibility	6
Immorality	5
Honesty	4
valuing the values	4
family orientation	3
Morality	3
Total	**132**

*frequency shows how many times this value appeared in different cases (128 cases from 2011).
Source: Compiled by the author.

All the real postmodern values were also represented among propagated postmodern values. It shows clearly that propagated values will turn slowly to real values and after several times most of the new paradigm values will reach practice. Fragmentation as the most frequent modernist value expresses a situation in the organisation where the work organisation and processes follow the idea of line-work – everyone filling his/her own work-task and what happens nearby is not important. Fragmentation is characteristic of scientific management and therefore also of modernism. The other modernist values also support this fragmentation value. Both postmodernist and modernist values form their own value system and describe a general paradigm. Most of "other values" are ethical values and can be described as basic values.

The results also confirm that propagated postmodern values might not be even acquired by propagators themselves (whether the authors of the articles were

managers –practitioners) and it might be also the reason why the gap between the propagated and the real values is still high – only those values which the propagator truly believes in are successfully propagated and attained by the followers. As it was mentioned previously, the modern values are anchored into everyday management and postmodern values are not implemented yet. These results agree with the findings of other studies in which the lack of management competencies was highlighted (Vadi et al 2011; Übius et al, 2010; Zernand-Vilson et al, 2010; Vadi et al, 2009).

Another important finding was that according to the analysed articles/cases, the knowledge of postmodern values exists in the economy and society, but it has not reached practice. Three modernist values - efficiency, stability and economy appeared among propagated and real values overlapped. In some analysed cases, the values of both paradigms appeared, which indicates also the transition from one approach to another. Therefore, the results show that even if the majority of organisations are still managed by modern values, there are signs of transition from modern to postmodern management in practice. Propagated values are also in transition, but a few steps ahead of practice and postmodern values are dominating. The results from other studies also support the findings that most of the organisations have attributes from both paradigms. As Latour (1993) says, "*We work in hybrid organisations, never having achieved the modern conquest of pre-modern, not able to become fully postmodern*" and the situation has not changed much during two decades.

3.2. Real and propagated values describing management in Estonian organisations

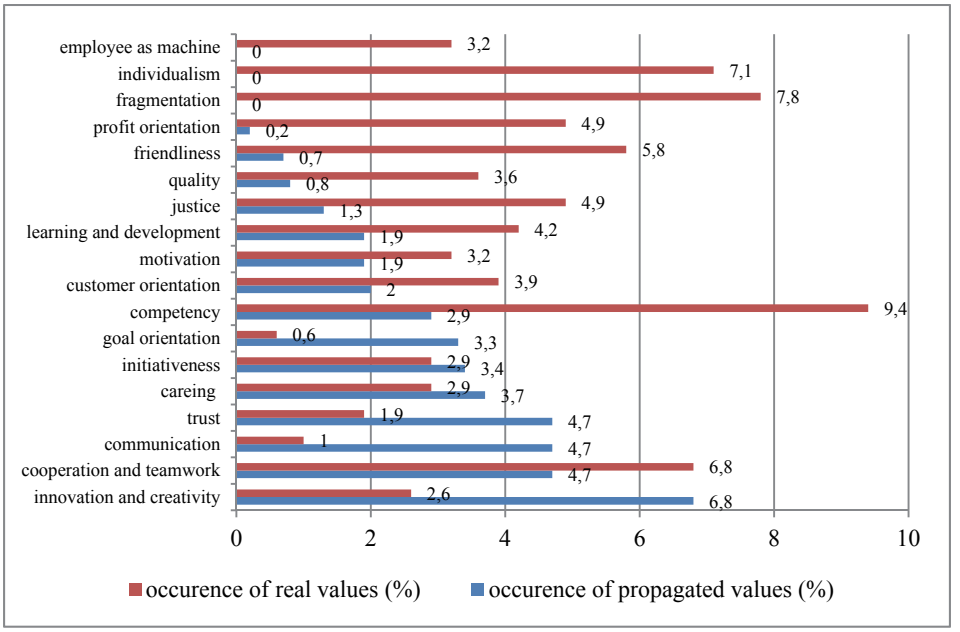
Results in this section summarise the findings from articles I to IV and similarly to the structure of the previous section are divided into propagated and real values.

Whether the data sets for propagated and real values are quantitatively different (476 articles vs. 128 cases), the frequency of values cannot be mechanically compared according to the number of occurrences. Therefore, the importance of the value is pointed out to compare the proportion of value among other revealed values (see fig 6). Only those values which were presented either of a data set more than 3% (occurrence at least 38 times among propagated values and 9 times among real values) were included to the further analysis.

Figure 6 shows that the real and the propagated values overlap, i.e., values which are propagated appear in the management, but some of the propagated values (goal-orientation, communication, trust, innovation and creativity) are not represented enough (as being important propagated values, they are not important real values). At the same time, values like cooperation and teamwork, imitativeness, caring are almost of equal importance both in the propagation level and in practice. Several real values (mostly modernist ones) like treating

an employee like a machine, individualism, fragmentation and profit orientation are not propagated at all, but those are still almost most important values in practice. Working competence or professionalism is a crucial value, which is the most important value among the propagated values and is also important in the propagated level.

Figure 6. Propagated and real values according to their occurrence (%)



Source: compiled by the author

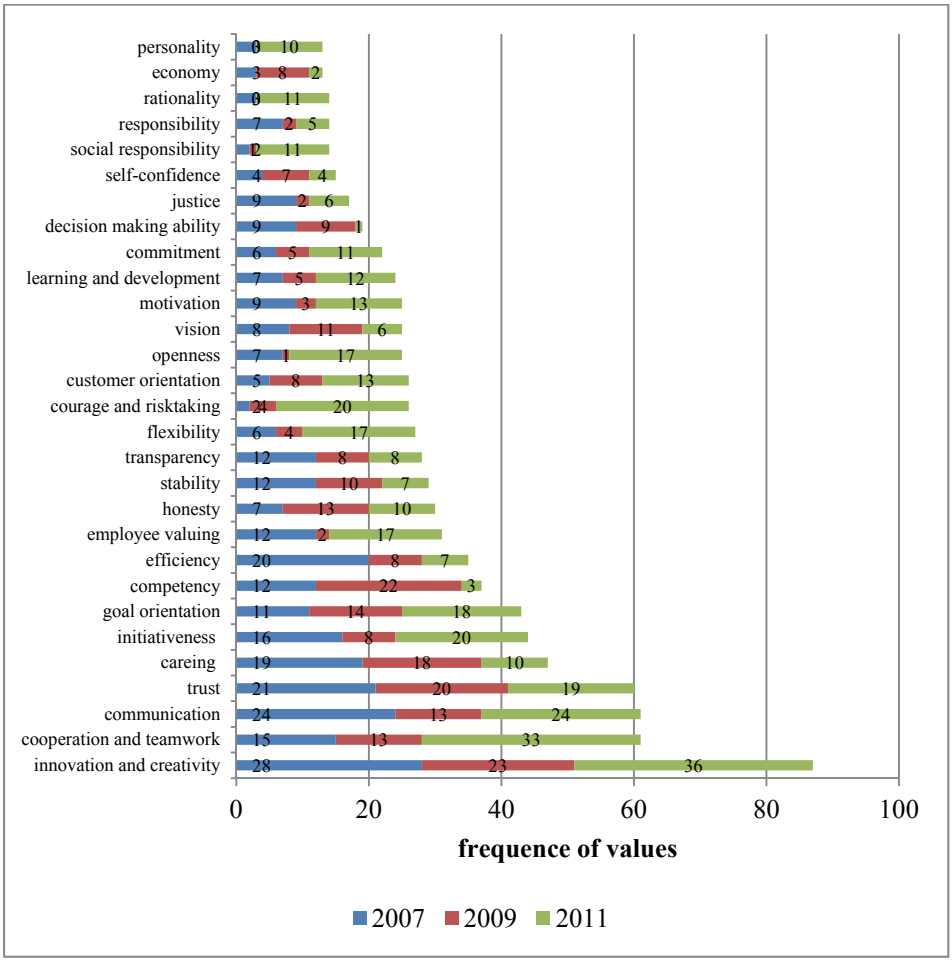
From the comparison of importance of real and propagated values three types of values in management are clearly distinguished: 1) propagated but not implemented yet, 2) propagated and implemented and 3) implemented but not propagated anymore. The gap between propagated and real values is normal, because propagated values are more easily influenced by paradigm values, but implementation and change of values in organisations takes time.

3.2.1. Propagated values in Estonian organisations

Propagated values reflect a tendency that organisations move toward human centred management and values but still there is a long way to go. The frequency of values in business magazine articles shows clearly the dominance of four values – innovation and creativity, cooperation and teamwork, communication and trust (see fig 7). Trust and innovation and creativity may be assessed as key values because those have been equally important before, during and after economic recession. Some values like cooperation and teamwork, employee

valuing and risk-taking changed to important values soon after economic crisis. There might be different explanations for this peculiarity – the importance of those values has risen only during the bad times and those values are seen like values to help organisations out from regression or economic crisis has forced managers to think more strategically and to have a clear focus and specific goals to achieve.

Figure 7. Frequency of propagated values according to the data collection year.



Source: compiled by the author

There seem to be also some values which managers considered to be important only at the time of the crisis as main anchors to help organisations to stay alive and neither before nor after the crisis those values were prioritised. Mostly those values (economy, decision making ability) are modernist values, which indicates that managers do not believe in the propagated values as much as they should and in "bad times" the modernist values rise again. In the time of regression, the

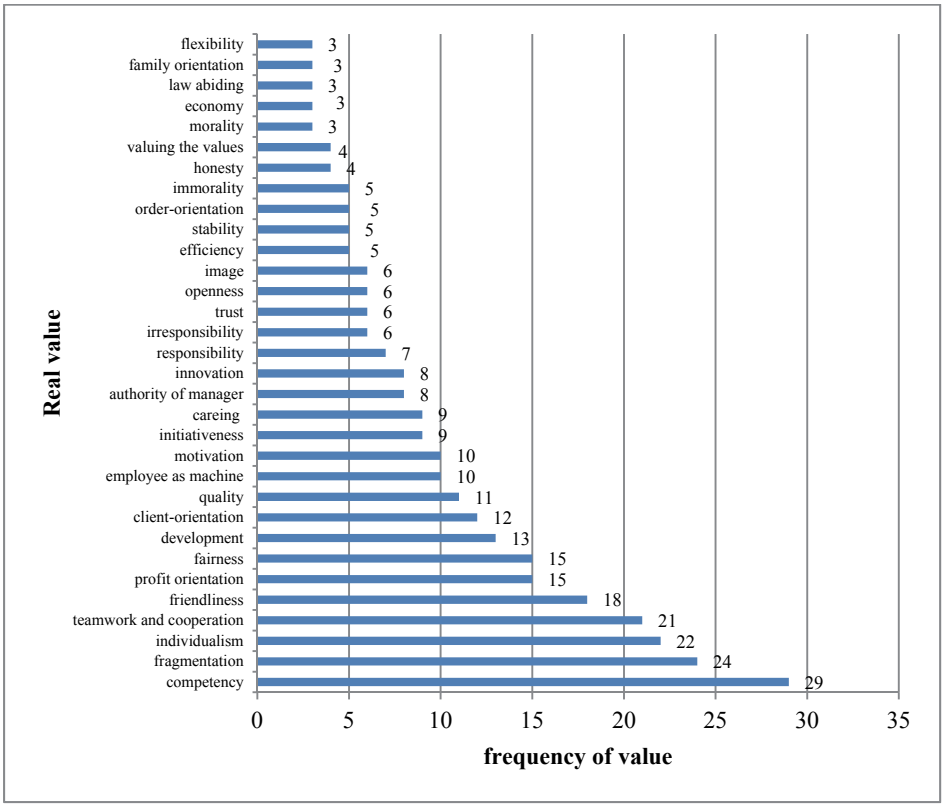
efficiency-based values prevail over the ethical values and after the crisis the postmodernist and ethical values will be propagated again. Values like development, employee valuing, justice etc. seemed to be really vulnerable and almost disappeared; in contrast, some values like prudence and security increased.

The results also reflect clearly the differences of values between "good time" values and "bad time" values. Most of the human-centred values had had an important place before (2007) and after (2011) economic crises, but were non-existent or slightly existent at the time of the crisis (2009), i.e., openness, motivation and valuing the employee (see fig 7).

3.2.2. Real values in Estonian organisations

There were only 8 values, which appear in more than 12 cases (in 10% of cases) – competency, fragmentation, individualism, teamwork and cooperation, friendliness, profit orientation, fairness, and development (see fig 8).

Figure 8. Real values in organisations according to their appearance in cases.



Source: compiled by the author

Quantitatively listed real values are supported by other findings from the qualitatively analysed cases (article V), where similar values were pointed out. The collected management cases put the managerial behaviour into light, emphasising the employees' competence and customer-orientation. Cooperation was described from two aspects – as a main working tool and part of everyday working behaviour or as a formal requirement, which is not a shared value. Moreover, cooperation was brought out as something that everyone knows that should be used, but no one does – "*it is like playing cooperation*". This finding is supported by another highly frequent value – individualism, which is opposite to the cooperation value. This discrepancy might be explained by either that cooperation is highly valued, but is not fully implemented or those values appear in different organisations.

3.3. The connection between values and success

Theory gives a clear answer to the assumption that the organisational success and organisational values are connected (see section 1.3). However, theory is not so complete as to give an answer to what kind of values should an organisation implement to gain success. Whether the value is "right" for the organisation may depend on different aspects – the field, number of employees, economic conditions, culture etc. In this thesis and articles organisational success is discussed on the basis of two aspects – better performance and sustainability. Therefore, findings are compared to single values considered to be important, former value systems and hierarchies, which are declared to support organisational success and discussed in articles (I-V) and in section 1.3 of this thesis.

Table 8 shows that all the single values emphasised in theory as those predicting or supporting organisational success were represented in the analysed articles and cases. As it was discussed previously, propagated values are more success supportive than real values, meaning again that propagated values are in better accordance not only with contemporary paradigm values, but also with success supportive values. Therefore, it might be concluded that managers know the right values, but those are not implemented sufficiently in everyday management. For instance, fairness is better implemented than propagated.

Table 8. Values predicting success among real and propagated values

Values predicting success	Propagated values	Real values
creativity and innovation	***	**
cooperation and teamwork	***	***
fairness	**	***
involvement	**	*
employee loyalty	**	*
adaptability to change (flexibility)	**	**

***value occurred more than in 10% of articles (n=476, > 48 times) or cases (n=128, > 13 times)
** value occurred less than in 10% and more than in 1% of cases (5<value <48) and articles (2<value<13)
*value occurred less than in 1% of articles (<5 times) or cases (<2 times)
Source: Compiled by the author.

According to Peters and Waterman (1982) values (superior quality and service, innovation, importance of people as individuals, importance of details of execution, communication, profit orientation and goal accomplishment), which they argued, are responsible for the success of organisations, the propagated values reflected almost all of those values. Values like innovation and goal–orientation were among most frequently propagated values. Importance of details was represented quite weakly, but values like accuracy and efficiency are supportive values for this value. It may be said that most of those values have also reached practice and values like quality, innovation and goal-orientation are highly appreciated values in Estonian organisations. According to Peters and Waterman's values, importance of details might be a more emphasised value in organisations. Propagated values also reflect the trends in society and economy – if there is a lack of some values, a usual measure is to start propagating that value more widely. Also, Estonian management consultants and trainers are quite eager to present new and often unadjusted management tools and trends. Peters and Waterman's values are taught in every management course and therefore those values are more likely reflected among propagated values and have even reached practice.

Hultmans´ values (Hultman et al, 2002) - self-directed learning; adapting to change; balance; seeking opportunities in the midst of uncertainty; utilising ability; distributing rewards fairly; finding satisfaction in work; serving mutual interests; working as an owner; prizing wisdom; being authentic; seeking truth; celebrating differences; accepting people; viewing people as ends in themselves - are quite concrete and therefore their matching the findings was crucial. The propagated values found support the Hultman's values, but are not so clearly expressed. Among propagated values, learning and development, innovation and

creativity, fairness and respect etc. were expressed, which are supportive to Hultman´s values. Among real values, ability to adapt to changes, finding satisfaction at work and working as an owner seem to be less emphasised. Problems with lack of ability to change and lack of work satisfaction were strongly expressed in cases. Also, general ethical values like truth and toleration were absent in the cases. In general, it can be concluded that Hultman's values are not peculiar for organisations.

Fairness, trust, respect and social responsibility are strong propagated values, which is in accordance with O´Reilly´s and Pfeffer´s (2000) values (fun, fairness, challenge, trust, respect, community, family). Fun and family are not so clearly connected to the propagated values found, but balance between work and family was still mentioned as a necessary prerequisite for gaining success in organisations. Among real values, challenges and meaningful work are not appreciated enough.

The connection between ethical values and organisational values is not always understood or perceived and therefore the importance of ethical values in everyday job is not appreciated. The results of this research clearly show the lack of ethical values in organisations. It might be also one of the reasons why the job performance is not as high as expected. This argument is confirmed also by the collected conflict cases where most of the conflict reasons were ethical.

Estonian organisations' propagated and real values divided to the value hierarchies show that propagated values still seem to cover higher levels and real values still remain to the lower values. The enormous gap between the propagated and the real values is again confirmed.

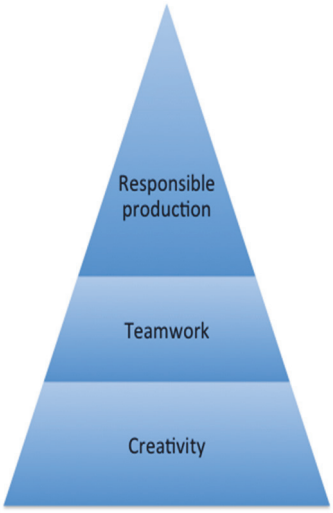


Figure 9. Schumacher's (1973) hierarchy of values

In the case of Schumacher's hierarchy (see Figure 9), the propagated and real values both covered all hierarchy levels. The first hierarchy level (innovation and creativity with support values such as risk-taking, flexibility and development) is propagated best and forms the first level values. Also, collectivism related values such as cooperation and team-work and communication prevailed among propagated and real values. Although all the levels are expressed in the cases, Schumacher's top value – responsible production, is the most

important according to the cases. However, the production side is more emphasised than the responsibility side. All the Schumacher's steps to successful organisation are implemented in organisations.

As the Schumacher´s values represent a modernist paradigm, the results comply with previous discussions where modernist values are considered to be rooted in practice. In a postmodernist paradigm Schumacher´s values are not so emphasised anymore and probably will not support the success of the organisation, because the values fail to reach the leading paradigm.

The other two hierarchies (Beck and Cowan and Melé) are more oriented to ethical behaviour and the gap between the real and the propagated values appears again. Both hierarchies represent the postmodernist paradigm and the results indicate again that success supportive and postmodernist values are still only in the propagated level and have not fully reached practice. As Melé's system describes growth towards ethics (according to propagated values), then on these bases the managers of Estonian organisations know which the right values are, but they have not been accepted/imprinted in the organisations.

As it was expected, according to Melé´s (2012a) hierarchy (see Figure 10), "mistreatment" is not publicly propagated, but the values describing the other four levels are all mentioned. The behaviour "concern for people" (valuing the values, trust, motivation, openness, cooperation, entrepreneurship) and "mutual esteem and cooperation" (innovation and creativity, flexibility, commitment, courage, teamwork) are best covered with propagated values. If the propagated values rather represent higher levels of Melé's classification, then reality is more focused on lower level values.

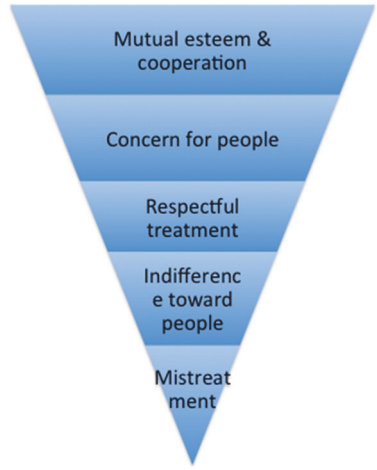


Figure 10. Melé´s values hierarchy

Values like cooperation, valuing the values, describe the Melé´s 4th level, some describe the 3rd (competency, honesty, quality) level. Negative examples and values showed that the 2nd (lack of cooperation, no shared values, no common goals, demotivation, profit-orientation, irresponsibility) and the 1st (immorality, hurrying, domination, fear, power, bribery) level describe real organisational values best.

Figure 11. Beck and Cowan´s hierarchy of values.

Also, Beck and Cowan (2005) have created a values hierarchy (see Figure 11). They expect to describe the development of values: through the first levels, an organisation reaches the higher value levels and success. The propagated values are missing at the lowest level (work as family and autocratic management). Some values refer to the absolutist (client orientation and efficiency) and holistic (social-responsibility) level, but most of the values describe multiplistic (innovation, goal-orientation, risk- taking), relativistic (communication, trust, openness etc.) and systemic (flexibility, commitment, passion) levels.

Among real values, in contrast, the lower levels of Beck and Cowan´s hierarchy are quite well covered and values describing autocratic management are often pointed out in the real cases. Also, absolutist level (client-orientation, efficiency, competence) was represented. Higher level values were more like single values from single cases and the reality of Estonian organisations is that they have not reached higher values according to Beck and Cowan´s hierarchy.

Lack of real ethical values seems to be characteristic of Estonian organisations. Regarding the results, the shortage of low rate occurrences or absent ethical values is also significant. Although the values propagated in the management literature are rather high level, some important values in practice are missing at all – humbleness, concern for people etc. Without those, an organisation and management cannot be called either effective or sustainable and achieving the effectiveness and sustainability is almost impossible in a longer run.

One interesting group among the studied organisations was that composed of managers who declared that they remained successful or success of their organisations increased during the time of economic regression. Usually, their increased success was connected to the development of new services or market and values like competence, quality, speed, entrepreneurship, courage etc. were prioritised. Those results can be compared to a study undertaken in Japanese organisations, claiming that value orientation of entrepreneurship might possibly contribute to innovative activities and new value creation in the future and therefore affect the long-term performance (Wang, 2009). Unfortunately, only a few organisations had chosen the extension-strategy and mostly cost-effective strategy was chosen, which usually leads to the decrease of success.

4. CONCLUSIONS

This chapter highlights the main aspects why the values are important in management and organisation´s success, points out main contributions and describes future research and limitations of this research.

Organisational values are a popular subject of academic research and management studies would be much poorer without those discussions and results. This subject is important to understand the principles of management behaviour and the reasons why some organisations a more successful and sustainable than others. There are no other constructs in organisational level which are not connected to values and we may argue that values definitely play a central role in social and management studies.

The aim of the doctoral thesis was to emphasise the importance of the values in management and show how the paradigm values reflect in organisational real and propagated values and thereby impact the organisational success.

The research question (*How and which values are reflected in management cases in real and propagated level in 2007 – 2012 and whether those values predict organisational success*) with four sub-questions were set up to support the research process. Theoretical part of the thesis shows the importance of values in management, describes values change among paradigms and links the values theory to organisational success and to management paradigms. The theoretical part also defines the values of modern and postmodern management to be analysed and connected to propagated and real values of Estonian organisations in the empirical part of the thesis.

To better understand the thesis goal and connections between different types and levels of values, the author constructed a values and organisational success model (see Figure 4), which clearly indicates the connection between paradigm values and organisational success. According to the model and the research questions, four general results were pointed out.

First, the principles of modern and postmodern management are not systematically covered, but several authors still emphasise the change and need for change of the management paradigm, because the environment and society have changed dramatically and management and organisational values should follow those changes to stay or become sustainable and successful. According to the collected data, the management shift has not reached every Estonian organisation yet. Still, there are good examples where the postmodern management principles are valued. There are organisations in every step on the two-dimensional scale – from modernism to postmodernism. Several examples clearly described the classical modern management behaviour – an employee is just a tool; money is only the resource of motivation; power and position are most important for managers; investments in equipment, but not in people are prioritised; employee development is taken as an additional cost, not as an

investment. On the other hand, there are also some positive examples of postmodern organisations – employees are valued; teamwork is widely used; employees are involved and their opinion is important. Employees of those organisations value their employers and job performance is high. Therefore the organisations are more successful and can reinvest into the development of a human-centred organisation. The results show that a majority of Estonian organisation are still managed by modern values, but there are signs of transition from modern to postmodern management in practice. Propagated values are also in transition, but few steps ahead of practice and postmodern values are dominating among propagated values.

Second, one of the important results describes the problem concerning the change of management values in the period of economic regression. Although one of the values management principles emphasises the need to stick on the core values at the time of crisis and not to change important values, the results revealed that at least propagated values changed dramatically. In the period of regression the efficiency-based values prevail over the ethical values and after the crisis the human-centred /ethical values were propagated again. Not sticking to the core values and impatience in value implementation seem to be one of the major problems in management by values.

Third, according to this research, the main propagated values in management in Estonia are innovation and creativity, communication, trust, cooperation and teamwork. The main real values are competence, cooperation and teamwork, individualism and fragmentation. Resulting from the comparison of importance of real and propagated values, three types of values in management were clearly distinguished: 1) propagated but not implemented yet, 2) propagated and implemented and 3) implemented but not propagated anymore. The gap between propagated and real values is normal, because propagated values are more easily impacted by paradigm values, but implementation and change of values in organisations takes time and efforts.

Fourth, to link the organisational values to the organisational success, different benchmarks were used. The value sets from previous research (Hultman, Peters and Waterman, O'Reilly and Pfeffer and single values) were described and the propagated and real values of Estonian organisations were compared to values predicting success. According to the comparison, the propagated values are in better compliance with success predicting values and among real values some of the success predicting values were absent at all or occurred just a few times. Although propagated values are mostly in line with benchmarked values, their contribution to success also depends on the general management paradigm. As for example in Schumacher´s values hierarchy, all the necessary value levels are covered, but it is not clear if the Schumacher´s hierarchy is characteristic of the modernist paradigm. The impact of those values on success might not be so important any more.

4.1. Thesis contribution

The multifaceted topic allowed the author to demonstrate her contribution to the field.

- This thesis defines first modernist and postmodernist paradigms through values. Although postmodernism and modernism are linked to management views and philosophy by other researchers, the concrete values are not brought out. Analyses of previous research and articles helped to collect main characteristics based on more than hundred scholarly articles. The value list formed is a suitable tool also for further studies to analyse correspondence with either modernist or postmodernist paradigm. The author offers a paradigm values list as a tool to select other management tools and solutions. Postmodernist organisational researchers are right in thinking that the modernist analytical tools are not helpful to understand the complexity of the postmodernist environment (Boisot et al, 2010). Lists of paradigm values allow us to compare tools according to the values they emphasise. If the real and wished (propagated) values are clear, then it is much easier to decide which activities and solutions and tools must be implemented.
- The author also created a general model for the reader to better understand how different types (real, propagated) and level (paradigm, individual, organisational) values are linked to each other and contribute to the success of the organisation. Author's studies indicate the main aspects in the value management, focusing on the values connection and content of the value. In this thesis the model is just a tool to show how the study forms the whole; but the model itself as a tool for value management in organisations can be useful to highlight main linkages and needs for values congruence. Those linkages also show how paradigm values impact organisational success and in the light of this thesis the author´s main contribution lies in emphasising the connection between paradigm change and need for change of organisational values.
- An important contribution of this thesis is clear identification of the need to distinguish real and propagated values in organisational level. Propagated values are the values that managers regard to be right and would like organisation members to align with and real values are those that the managers factually use in their managerial practice, decision-making and conflict management. Propagated values reflect wishes, real values reflect reality and the author proves that real and propagated values describe situations differently and therefore they must be used for different purposes. To emphasise here, distinguishing real and propagated values contributes to a clearer choice of the research object in further research.
- In the empirical part of the thesis the author points out the gap between real and propagated values, identifying both types of values and finding most prevailed values in both groups. This contribution helps to better understand

management situation in organisations and clearly identifies possible problems and offers solutions. For example, if individualism is a real value, but propagated values (and contemporary paradigm) refer to the need for cooperation, then a gap is identified and the next activities must be followed to decrease the gap and implement teamwork and cooperation in an organisation.

- The intended contribution to the field of management, in turn, is the exploration of real and propagated level values, in particular the investigation of the prioritised values in both levels. By looking closely at the conflict and management cases, this thesis also investigates how certain values support or fail to support organisations in the general paradigm change process.
- The thesis contribution is also in finding the values which an organisation needs to implement into management to become or stay successful and lack of which values impedes the organisations to be successful.
- The author´s main contribution lies in the following: the research offers a new view to values as a tool for managers to overcome the multifaceted possible problems in organisations indicated by other researchers, such as high employee turnover, low performance, lack of motivation etc.
- The author demonstrates a possibility to use different research methods as a whole to investigate different level organisational values. Since, no dominant and accepted value frameworks or value measures exist, researchers' value surveys are based on the ad-hoc made tools or on a mixture of different instruments and instruments worked out for other issues (organisational culture, leadership and management, satisfaction etc.). The level of implementation of values is has been a crucial aspect for researchers – some tools just help to find out the declared or propagated values, but those values fail to describe the real organisation.

4.2. Implications

The main results confirm that the difference between propagated and real values is enormous. The propagated values are more oriented to ethical and postmodern values, but real values reflect that modernist management values are still widely spread in Estonian organisations. To reduce the gap between real and propagated values, first of all the managers should adopt the necessary values which should be reflected in their everyday behaviour – the employees only believe in behaviour and good example not just words. The next step in putting the right values into practice is to give enough information to people about the importance of concrete values in their job and organisation. Listening to different stakeholders' opinions, organising meetings and discussions are just some examples of necessary activities in leading values into practice.

The values were analysed to make sure in which levels of value hierarchies (Melé, Schumacher, Beck and Cowan) Estonian organisations comply with real and propagated values. As the hierarchies also described ethical levels, conclusions may also be drawn concerning this issue. Lack of real ethical values seems to be characteristic of Estonian organisations. Regarding the results, the shortage of low rate occurrence or absent ethical values is also significant. As a positive result of the study it can be pointed out that only a few cases of all the cases analysed were placed on Melé's first level. It means that Estonian organisations are hopefully overcoming the management problems of a developing country – manipulation, knowingly bending and violation of laws. Although the values propagated in the management literature (articles from the Director magazine) are of rather high ethical level, some important values in practice are missing at all – humbleness, concern for people etc. Without those, an organisation and management cannot be called either effective or sustainable and achieving the effectiveness and sustainability is almost impossible in a longer run.

Whether the paradigm shift is proven, the changes in society should be transformed also to the organisational level, because one of the prerequisites for successful organisation is its harmony to the external environment. Therefore, the paradigm values should be in accordance with organisational values. Although sticking to the core values is also one of the prerequisite of success, other authors argue that values of the modernist paradigm have remained into practice already for too long and organisations have lost their ability to "move with the times". The most serious challenge for the managers is to find balance and change as much as needed and as little as possible. This thesis offers several tools to analyse values and implement better value creation, design and change methods in their organisations. The thesis also emphasises how important the manager him/herself and his/her values in success supportive value implementation process are.

4.3. Limitations and further research

The values studies are complicated and therefore several limitations also are reflected in the interpretation and use of the results.

Firstly, propagated values identified on the basis of the journal articles do not show their utilisation in Estonian organisations, but rather express the trends propagated by management and may not reach every organisation. Hence, the propagated values as determinants of management values propagated in the economic environment and society, sufficiently describe the general trends in management.

Secondly, the researchers´ triangulation and other research issues characteristic of the qualitative study still leave space for some subjectivity, explained by the analysers' life experience, knowledge and personal values. Finding, grouping

and comparing values is inevitably subjective and largely dependent on experts. In this thesis the author used an opportunity to analyse data together with experts knowledge in this issue; in addition, many discussions were conducted to reach unanimous results.

Thirdly, the concept of modern and postmodern management is not sufficiently reflected in previous research and therefore the values of those paradigms are not all proved in practice. Both management paradigms need more research to determine clear differences and peculiarities of both issues. In this thesis the studies and decisions made by other academicians are used to connect values and paradigms, but for further studies it would be useful and interesting to conduct research by asking different stakeholders to estimate the connection between paradigm values, organisational values and success.

Another limitation to this study is that it mainly focuses on the managers´ behaviour and excludes empirical evidence from the employees´ behaviour within the organisation. To analyse the organisational level values, all the stakeholders should be involved to provide a broader view and avoid misunderstandings in the implementation level.

As it was mentioned before, the area of organisational values is wide and interesting. Therefore, further studies are needed to enlighten the concept and find more connections and aspects how the values could help to develop organisations. Also, it would be useful to study whether the Estonian society and organisations are ready for postmodern values and which barriers exist, because this thesis results emphasise the fact that postmodern values are not widespread in the real values level. Longitudinal research to estimate the general change of organisational values toward or way from postmodernist values would be useful to confirm the connection between the paradigm and the organisational values.

Since the ambition of this thesis is not to study the connections between values and field or other specialities of specific organisations, but to demonstrate commonalities in organisational values between different Estonian organisations. This is first step and organizational level studies should follow.

One of the main results in this thesis was the big cap between real and propagated values. Further researches could offer solutions for organisations and managers, how to better support the propagated values become real values.

In general, qualitative research is considered to be the best way to study values, but as success is usually measured by numbers, correlation analysis between the values and the organisational success would be a challenge to take.

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KOKKUVÕTE

Juhtimisparadigma väärtused propageeritud ja tegelikul tasandil kui organisatsiooni edu eeldused

Väärtused ja eriti organisatsiooni väärtused on olnud populaarne uurimisteema juba mitu aastakümmet, kuid siiski pakub see valdkond uurimiseks üha uusi ja uusi võimalusi. Organisatsiooni väärtusi on seostatud mitmete organisatsiooni karakteristikutega (Jaakson, Reino & Vadi, 2009 Reino & Vadi, 2010 Seevers, 2000 Fey & Denison, 2003) ning püütud nende abil selgitada mitmeid teisi konstrukte nagu näiteks töörahulolu, töösooritus, juhtimisstiil. Organisatsiooni väärtused on keskne mõiste organisatsiooni kultuuris (Quinn and Spreitzer, 1991; Finegan, 2000; Kabanoff and Holt, 1996; Dylag *et al*. 2013, Kristof, 1996; Schein, 1985). Hoolimata väärtuste teema populaarsusest, ei ole uurijad siiski jõudnud üksmeelele selle mõiste sisu osas.

Erinevad varasemad uuringud (Alas & Tuulik, 2004; Zernand – Vilson and Terk, 2009; Zernand – Vilson and Elenurm, 2010) on toonud välja, et Eesti ettevõtted ei ole piisavalt kiiresti suutnud reageerida keskkonnast tulenevatele väljakutsetele ja pole teinud vajalikke muutusi organisatsiooni sees. Lähtudes teadmisest, et organisatsiooni väärtused mängivad olulist rolli kogu organisatsiooni toimimises, saab eeldada, et ka organisatsioonide efektiivsuse ja edukuse mõistmisel on oluline osa organisatsiooni väärtustel. Organisatsioonid ei eksisteeri vaakumis ja kõik, mis toimub keskkonnas, mõjutab iga organisatsiooni ühel või teisel viisil. Selle jaoks, et mõista, millised on võimalikud juhtimisväärtused, mille rakendamine toob tänapäevases keskkonnas organisatsioonile kasu, võrreldakse antud töös modernistliku ja postmodernistliku juhtimisparadigma väärtusi nii tegelike (ehk käitumises rakendunud) kui ka propageeritud (ehk vaid sõnades väljendunud) väärtuste tasandil.

Organisatsioonid ja nende juhtimine on muutumas vanast modernistlikust ehk traditsionaalsest uueks ning kõrget töösooritust väärtustavaks (Burke, 1991; Bøje and Dennehy, 1999). Paradigma muutus ei ole ei kiire ega kerge, sest põhineb väärtuste muutusel. Ühe paradigma ümberlükkamine tähendab automaatselt teise paradigma aktsepteerimist (Kuhn 1962) ja selle jaoks, et aktsepteerida uusi väärtusi peame me muutuma (Land & Jarman, 1992). Modernistlik paradigma on juhtimises valitsenud aastakümneid ning seda kirjeldatakse kui bürokraatlikku korda ning efektiivsust, kusjuures postmodernismile peetakse omaseks paindlikku, orgaanilist organisatsiooni ja adhokraatlikku juhtimist (Hardy *et al*, 1999). Selle jaoks, et organisatsioon saaks olla edukas, peab ta lähtuma ja rakendama väärtusi, mis on kooskõlas juhtiva paradigmaga. Lõhed töötajate ja organisatsiooni, töötajate ja juhtide, juhtide ja organisatsiooni ning organisatsiooni ja valitseva paradigma väärtuste vahel tähendavad organisatsiooni jaoks võimalikke konflikte ja vähenevat võimalust olla edukas.

Doktoritöö eesmärgiks on rõhutada väärtuste olulisust juhtimistegevustes ja näidata, kuidas paradigma väärtused peegelduvad organisatsiooni tasandil tegelikes ja propageeritud väärtustes ning mõjutavad seeläbi organisatsiooni edukust.

Eesmärgi saavutamiseks koostas autor üldise mudeli kirjeldamaks, kuidas paradigma väärtused on seotud organisatsiooni edukusega – väärtused ühiskonnas, sh ka juhtiva paradigma väärtused, mõjutavad individuaalseid ja juhtimisväärtusi, mis omakorda moodustavad/kujundavad selle organisatsiooni väärtused, kus nad kohtuvad. Organisatsiooniväärtused võivad olla kas ühilduvad või konfliktsed – tegelikud vs propageeritud väärtused ja individuaalsed vs juhtimisväärtused. Mudeli põhjal püstitas autor keskse uurimisküsimuse, *millised propageeritud ja tegelikud väärtused peegelduvad juhtimiskaasustes aastatel 2007–2012 ning kas ja kuidas nad ennustavad organisatsiooni edukust*, ja neli uurimisülesannet:

- Määratleda postmodernistlikule ja modernistlikule juhtimisele omased väärtused ning seostada saadud paradigmadele iseloomulikud väärtused organisatsiooni väärtustega.
- Selgitada organisatsiooniväärtuste kontseptsiooni ja näidata indiviidi ja organisatsiooniväärtuste ühtsuse olulisust.
- Eristada Eesti organisatsioonide näidete põhiselt väärtused propageeritud ja tegelikul tasandil ning selgitada vajadust propageeritud ja tegelike väärtuste ühildamiseks organisatsioonis.
- Siduda organisatsiooniväärtused organisatsiooni edukusega.

Doktoritöö põhineb viiel autori artiklil, mis analüüsivad eesmärgi täitmiseks kolme tüüpi väärtusi: 1) väärtuse omanikust lähtuvad – individuaalsed ja organisatsiooni väärtused (artiklid I ja IV); 2) rakendumise tasandist lähtuvad – propageeritud ja tegelikud väärtused (artiklid II ja III); 3) juhtimisparadigmast lähtuvad – modernistlikud ja postmodernistlikud väärtused (artikkel V). Kokku on töös toodud järelduste alusena analüüsitud rohkem kui 476 juhtimisteemalist artiklit ajakirjast Director ja 164 juhtimiskaasust aastatest 2007 kuni 2012, mis võimaldavad teha üldistusi juhtimisväärtuste ja nende muutuse kohta antud perioodil.

Töös on kasutatud kombineeritud uurimismetoodikat, mis võimaldab lähtuda nii kvalitatiivsetest kui kvantitatiivsetest põhimõtetest vastavalt uuringu sisule (Creswell 2014). Lähtuvalt uuringu objektist ja eesmärgiga saada võimalikult usaldusväärsed ning laiapõhjalised andmed ja tulemused kasutas autor kriitilist diskursusanalüüsi, juhtumianalüüsi ja uurijate triangulatsiooni. Vastavalt uurimisülesannetele toob autor välja neli peamist tulemust: 1) uuritud organisatsioonide juhtimisel on lähtutud pigem modernistlikest väärtustest ning postmodernistlikud väärtused ei ole enamasti rakendunud. On küll ka vastupidiseid näiteid, kus valitsevaks juhtimisparadigmaks on postmodernism, kuid modernistlik, korda ja käsku väärtustav, juhtimine on prevaleeriv; 2) üldine

(riiklik) majandusolukord mõjutab oluliselt propageeritavaid väärtusi organisatsioonis ning tulemused näitavad, et majanduskriisi ajal pöörduti tagasi majanduslikul rentaablusel põhinevate ehk modernistlike väärtuste juurde ning üritati nende abil kriisiga toime tulla. Põhiväärtuste kergekäeline muutmine ja liigne kannatamatus väärtuste rakendumisel on ühed peamised väärtuspõhise juhtimise probleemid. 3) Peamised propageeritud väärtused Eesti juhtimises on loovus ja innovatsioon, suhtlemisvalmidus ja -vajadus, usaldus, koostöö ja meeskonnatöö. Peamised tegelikud ehk rakendunud väärtused on kompetentsus, koostöö ja meeskonnatöö, individualism ja killustatus. 4) Propageeritavad väärtused on paremas kooskõlas organisatsiooni edukust ennustavate väärtustega, mis tähendab seda, et nende muutumine tegelikeks ehk rakendunud väärtusteks toetaks organisatsioone paremini edu saavutamisel kui praegused organisatsioonide tegelikud väärtused.

Töö olulisus seisneb juhtimisparadigmade väärtuste põhises defineerimises, mis võimaldab edasisi uuringuid ning ka erineva tasandi ja erinevat tüüpi väärtuste ning nendevaheliste seoste mudeli loomises. Samuti selgitab töö väärtuste ja organisatsiooni edukuse vahelisi seoseid ning viitab konkreetselt edukust toetavatele väärtustele, mille rakendamine organisatsioonis suurendab organisatsiooni tõenäosust eduks. Uurimismetoodika osas on tähtsaks panuseks tegelike ja propageeritud väärtuste eristamise vajaduse rõhutamine – propageeritavad väärtused peegeldavad soove, tegelikud väärtused reaalset käitumist ning propageeritud väärtuste alusel organisatsioonikäitumise kohta järelduste tegemine annab organisatsioonile vale tegevussuuna. Lisaks sellele võimaldab propageeritud ja tegelike väärtuste selge eristamine ja tundmine tuua välja võimalikud juhtimisprobleemid ning pakkuda lahendusi, kuidas propageeritud väärtused saaksid reaalseteks väärtusteks, mis omakorda on üheks organisatsiooni edu eelduseks. Töö tulemustest lähtuvalt on väärtused juhile vajalik tööriist, mis aitab juhil toime tulla mitmete probleemidega organisatsioonis – kõrge tööjõu voolavus, madal töösooritus, motivatsiooni-puudus jne.

Edasistes uuringutes tuleb keskenduda tegelike ja propageeritud väärtuste erinevuse vähendamise võimaluste leidmisele organisatsiooni tasandil ning analüüsidele, mida teha, et juhtiva paradigma väärtused jõuaksid kiiremini ka organisatsiooni tasandil olulisteks väärtusteks. Huvitavaks uuringu suunaks on ka ühiskonna väärtuste ja juhtimisväärtuste seoste uurimine, mis omakorda võimaldab saada sisukat informatsiooni organisatsioonidele oluliste väärtuste rakendamisvajaduse kohta.

ABSTRACT

Management paradigm values in real and propagated level as prerequisites of organisational success

Values and organisational values have been a popular subject of research already for several decades, but the field still offers new possibilities for researchers. Many authors have connected the organisational values to other organisational characteristics (Jaakson, Reino, Vadi, 2009; Reino & Vadi, 2010; Seevers, 2000; Fey & Denison, 2003) and have tried to describe other constructs like job satisfaction, performance, management style etc through values. Organisational values have central place in organisational culture (Quinn and Spreitzer, 1991; Reino and Vadi, 2010; Finegan, 2000; Kabanoff and Holt, 1996; Dylag et al. 2013, Kristof, 1996; Schein, 1985).

Different researchers (Vadi et al., 2011; Zernand – Vilson and Terk, 2009; Zernand – Vilson and Elenurm, 2010) point out that the management of an Estonian organisation is stuck into old times and is not in coherence with the requirements of modern society. According to the knowledge that organisational values are the essence of organisational culture and impact every part of an organisation, the backlog of management can be improved through the clarification of the concept of values in the organisational context, using knowledge and research results describing changes in the management paradigm. Organisation does not exist in vacuum and is always influenced by the external environment. In this research modernist and postmodernist management paradigm values are compared to real (revealed in behaviour) and propagated (revealed only in words) values in order to understand which are the management values which lead organisation to success.

Today's movement in management proceeds from an old modernist or "traditional" model of management and organisation into a new "high performance" era of post-industrialisation (Burke, 1991; Bøje and Dennehy, 1999). The change of a paradigm is not easy and quick and is most certainly connected to values that need also to be changed as the bases of the paradigm. The decision to reject one paradigm always means simultaneous acceptance of another (Kuhn, 1962) and to accept the values that are different from the past, we need to change (Land & Jarman, 1992). Modernist paradigm has been in leading position for decades and is described as bureaucratic order, while postmodernism describes fluid, organic, and adhocratic management (Hardy et al, 1999). Organisations need to know and implement values which comply with the contemporary management paradigm and would support the organisations to achieve success. The gaps between employees' and organisation's, employees' and managers', managers' and organisation's values and between organisation's and leading paradigm values mean possible conflicts and diminishing probability to achieve success for organisation. The aim of the doctoral thesis is to

emphasise the importance of the values in management and show how the paradigm values reflect in organisational real and propagated values and thereby impact the organisational success.

According to the aim of the research, a general model how the paradigm values are connected to the organisational success was formed. Values in society, as values of a leading paradigm, influence individual and managerial values, which in turn form the values of the organisation where they meet. Organisational values might be either conflicting or congruent in two levels – real vs propagated values and individual vs managerial values inside the organisations. According to the formed model the main research question was created: *How and which values are reflected in management cases in real and propagated level in 2007 – 2012 and whether those values predict organisational success.* Four research tasks were composed:

- To determine the values of modern and postmodern management and connect paradigm values to organisational values
- To clarify the concept of organisational values and to show the importance of congruent individual and organisational values
- To distinguish the real and propagated values according to the example of Estonian organisations and emphasise the need for real and propagated values congruence in organisations
- To link the values to organisational success

The thesis bases on five scientific article, in which the three types of values are analysed: 1) according to the owner of the value – individual and organisational values (articles I and IV); 2) according to the implementation level – real and propagated values (articles II and III); 3) according to the management paradigm – modernist and postmodernist values (article V). The results base on more than 476 management articles from business magazine Director and on 164 management cases from 2007 to 2012, which allows to make conclusions about management values and their change in chosen time period.

In the thesis the mixed methods research is used which inquires to draw liberally from both quantitative and qualitative assumptions when they engage in research (Creswell 2007). According to research object and in order to get as reliable and content-rich results as possible, the author used critical discourse analysis, case study analysis and researchers triangulation. According to the research questions, four general results were pointed out: 1) in the researched organisations the management shift has not reached every Estonian organisation yet - in management the modernist values are used and postmodernist are not implemented. Still, there are good examples where the postmodern management principles are valued, but classical modern management behaviour – an employee is just a tool; money is only the resource of motivation; power and position are most important for managers; investments in equipment, but not in people are prioritised. 2) general economical conditions highly impact the

propagated values in organisations and in the period of regression the efficiency-based values prevail over the ethical values and after the crisis the human-centred /ethical values were propagated again. Not sticking to the core values and impatience in value implementation seem to be one of the major problems in management by values. 3) the main propagated values in management in Estonia are innovation and creativity, communication, trust, cooperation and teamwork. The main real values are competence, cooperation and teamwork, individualism and fragmentation. 4) the propagated values are in better compliance with success predicting values and among real values some of the success predicting values were absent at all or occurred just a few times. This means that if the current propagated values would replace the current real values, the organisations would be probably more successful.

The importance of the thesis lies in that it defines first management paradigms through values, which allows further researches. The author also created a general model for the reader to better understand how different types (real, propagated) and level (paradigm, individual, organisational) values are linked to each other and contribute to the success of the organisation. Results show how paradigm values impact organisational success and in the light of this thesis the author´s main contribution lies in emphasising the connection between paradigm change and need for change of organisational values. An important contribution of this thesis is clear identification of the need to distinguish real and propagated values in organisational level - propagated values reflect wishes, real values reflect reality and the author proves that real and propagated values describe situations differently and therefore they must be used for different purposes. The author´s main contribution lies in the following: the research offers a new view to values as a tool for managers to overcome the multifaceted possible problems in organisations indicated by other researchers, such as high employee turnover, low performance, lack of motivation etc.

As it was mentioned before, the area of organisational values is wide and interesting. Therefore, further studies are needed to enlighten the concept and find more connections and aspects how the values could help to develop organisations. Also, it would be useful to study whether the Estonian society and organisations are ready for postmodern values and which barriers exist.

Appendix 1.

Research paper I

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Change of Management Values in Estonian Business Life in 2007-2009

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The paper deals with the change of management values in Estonian business life in the year of the rapid growth (2007) as compared with the year of hard decline (2009). The hypothesis is set that company managers do not have permanent values but they change accordingly to the change in economic conditions: in economical welfare situations business-managers more eagerly take larger responsibilities on ethical and philantrophical stages but in crisis only the lower stages (economical and legal ones) could be detained. In the paper, we firstly observe if values change in general and secondly we study if our pre-stated hypothesis holds. As the research method we use the method of critical incidents.

Keywords: core values, organizational values, economical crisis, sustainability, change of values

Introduction

In 2001, Drucker wrote:

> The half century after the Second World War, the business corporation has brilliantly proved itself as an economic organization. In the next society, the biggest challenge may be in its social legitimacy—its values, its mission, its vision. The wave of distrust of business generated by the recent financial crisis has proved how right it was. (as cited in Paschek, 2009)

Importance of CSR

During the last decades, corporate social responsibility has become a more important topic in countries with developed economies. Discussions about it intensified already in the end of the 1960s with the rise of Milton

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Friedman's (1963, 1970) ideology: "There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game". In accordance to globalization and strengthening of citizenship movement the self-consciousness of societies has risen and that has brought along the broadening of meaning of corporate social responsibility and also, sustainability has gained the leading position. The issue of sustainability has also become important due to the constant deterioration in environmental conditions and to the growth of exploitation of poor countries' resources.

On the other hand, at international climate conferences, the views of wealthy and underdeveloped countries often collide in the question of social responsibility towards nature: representatives of underdeveloped countries declare that wealthy countries have higher responsibility and must bear higher costs in protection of environment, while poor countries just cannot do it—they are not able to do more than stick to the basic survival game. The authors of this article were fascinated with the thought, how suggestible and changing are people's attitudes and way of thinking towards the change of economic conditions, for example, does the economic crisis, growing debt-load and poverty weaken the European Union's usually heightened responsibility towards nature and traditional efforts to lessen social inequity?

Importance of Values

Values are the ideas and beliefs that influence and direct our choices and actions (Gini, 2004). Values perform three functions for individuals and organizations—to defend against perceived threats (defensive values), to adjust to society (stabilizing values), and to foster movement toward self-actualization (growth values). All these three types of values are necessary and leadership definitely carries an important role in supporting these values and creating opportunities to do that (Hultman & Gellerman, 2002). Effective leadership is about finding balance between economic success and well-being of your employees, and at the same time, it is about balance between society and the owners' demands. Therefore there are values by nature dynamic and influenced by economic environment. Other authors have also drawn attention to the change of values, for example, professor Lauristin (2008) has indicated the negative change of values in Estonian liberal society where borderless market economy has turned into total sales ideology, democracy has turned into egoistic competition between political parties and state-of-law has opened its doors to large-scale bureaucracy. Prevalently, Estonian manager's leadership style does not based on long-term management values. However, the enduring leadership is important in order to assure the sustainability. Enduring leadership is leadership that outlasts and transcends the individual—has been shown by research to be a predictor of long-term success (Moon, 2001).

Influence of crises to management. Today's managers are under strong pressure, especially during the economic crisis, because the rapid development of technology is forcing continuous change and new knowledge economy requires people who are devoted to their work. This can be considered a conflict situation where successful conflict management, turning the conflict into something productive, could help implement changes faster. Empirical research in Estonian organizations indicates that the best predictors of attitude towards change are ethical values and business ideological values (Alas, 2009). The ability to use crisis as a productive conflict and to base on true business ideological values in practice, would enable the organization to do the right changes as well as to be sustainable. To understand productive conflict we should consider conflict management strategies because they strongly influence subsequent interactions and outcomes, and conflict issues because they impact on

conflicts management strategies through thoughts and feelings (De Dreu, 1997).

Conflict studies, carried out in Estonia show that Estonian leaders are lacking the knowledge of ethics and the will to resolve conflicts and understand the usefulness of a good and motivating work atmosphere. They do not realize that resolving conflicts and assisting the employees will be beneficial to the company and thereby make a major contribution to a more positive environment at work which significantly improves the employees' motivation and loyalty and the companies market position (Virovere, Kooskora, & Valler, 2002).

Influence of working environment to job satisfaction. During the time of fast changes every organization needs creativity and innovation and the will of employees to go along with the changes. That means creating an environment where creativity is made possible. Organizational culture and microclimate are directly influenced by a manager's leadership style and leadership values. Studies carried out in Estonia show that especially people with an university education were most less satisfied with management and work satisfaction was the lowest among employees who had worked for the company for four and five years (Alas, 2009). Based on these results, it is possible to conclude that there is a lack of appreciation of the working environment and workers in Estonian organization.

The Change of Management Values

In this article, we tried to follow, how has the economic crisis influence the attitudes and management values of Estonian managers: Estonia's relatively fast and successful emerge into West-European (capitalist) society has often been explained by Estonian liberal-friedmanistic economic policy. After joining EU (in 2004) both the state and society here have started to force the businesses towards broader social responsibility and triple-bottom-line way of thinking is emerging. That means that a business (its management) should feel a broader responsibility towards social and ecological environment than just a legal one. It is logical to assume that during fast economic growth and relative wealth, the managers of companies were susceptible towards that new approach. But how are things now when companies have to concentrate on survival?

Theory and Hypothesis

The Hypothesis

Traditionally, corporate social responsibility is divided into four stages (look for, e.g., Carroll & Buchholtz, 2009; Ferrell, 2008; Crane, 2010; etc.). Initially the model was proposed by Carroll soon in 1979 and advanced later (1999, 2009). The stages are differentiated as the ground ones—economical and legal, and the upper ones—ethical and philantrophical responsibilities. Logically, it could be supposed that in the situation of economical welfare business-managers are more eager to take more larger responsibilities on ethical and philantrophical stages and vice versa, in hard conditions of economical crisis it would be well enough if only the lower stages could be detained: at times of economic decline companies do not have means for philantropic causes and also in the case of ethical considerations it is observed that they would not cause additional expenses to the company.

The Base of the Hypothesis

That hypothesis seems to be supported by several earlier researches about the behavior of international organizations while locating territories of production. Reich (1992) shows that already since 1970s a trend is emerging where multinational enterprises, which are operating in the conditions of severe global competition and

therefore are forced to innovate their production continuously keeping at the same time prices low, have nothing to do but to organize their work in the way as by placing their innovative units (research and development) in developed country, with highly educated and expensive work force, and their mass production in underdeveloped countries where the cost of work is low (as usual the lower cost of work force is accompanied with poorer labor conditions, absence of trade unions, lower safety protection etc.). This means that while locating their organization they follow (in territorial sense) Carroll's 4-level model, that higher-level responsibilities are considered only in the economically developed mother country. In poor countries, where production units are located, it is well if legal obligations are met at minimal range (according to the looser legislation base of under-developed countries) and the goal is making maximum profit. Several researches show that this is a continuous trend both in the US and EU. Also, it is mentioned that in the case of international competition it is inevitable (for example, Meel & Saat, 2000). Crane (2010) shows that a growing number of multinationals as for example major European brands (Adidas, Reebok, Marks and Spencer etc.) as well as high-profile US brands (Disney, Levi's, Nike, Wal-Mart etc.) are involved in these location-based ethical conflicts.

The influence of crisis to an organization. Talwar (2009) wrote also that, in an era of global transformation, a narrow focus on strategies for enhancing profitability will no longer be sustainable, and organizations will need to seriously address long-term geopolitical social issues to attain sustainability with the adoption of universally acceptable ethical work standards. Practicing values is an important aspect for building a successful strategy and corporate culture. Based on the banking crisis it is also possible to draw parallels between organizational values and success. For example John Holland (2010) writes in his article that:

> Top management weaknesses in the failing banks were important in undermining bank SCA and increasing relative vulnerability to crisis. Top management weakened other key resources such as risk management skills at middle management and operational levels by downplaying relevant knowledge. They appeared not to have had an explicit strategy to develop human capital, structural capital and relational capital at all levels in the bank or how to use it to improve risk control and intermediation. They downplayed ideas of adequate equity, and of sufficient cash. They sought to gain the maximum benefits of leverage ignoring the impact on bank functions and risk exposure.

Values and Maslow's Hierarchy. It can be logically assumed that the same tendency that works locally (territorially) should work in the time dimension, according to the change of economic conditions. During economic recession while most of any country's population fall to lower levels of Maslow's hierarchy of needs (main problems are making a living, lack of jobs is increasing) fundamentalistic claims rise also in managerial values: compared to developed societies only legal obligations are met, philantropic and ethical obligations will be left waiting for better times. In order to manage economical crises, there is a need to actualize Maslow's hierarchy upper needs—self-actualization and commitment, which would help to manage changes in the organization as well as to become innovative and sustainable. Based on the same logic, it can be assumed that company managers do not have constant moral certainties or values, but they shift according to the changes of economic conditions: During the good times, they tend to behave according to virtues—show up more caring, respect, valuing the employees etc.. During the recession, employees are fired more easily, in communication with the employees the managers are stricter, aggressive and autocratic. Only these values are considered that are connected to the company's economic success and sustainability.

Stability of values. On the other hand, researches that prove exactly the opposite (Collins, 2001) show that

not all managers let their moral values to be shaken by the outside environment. Especially in times of recession like in 1929, just those companies that did not cross the line beyond their main values survived. Different researches (Collins, 2003; Drucker, 1972) even prove that sticking to core values is the key issue in an organization's sustainability. In really remarkable companies change is a constant factor, but they distinguish issues that should never be changed and those that should be opened to change. They distinguish their timeless core values and constant mission (that should never change) from ways of action and business strategies that have to be changed according to the changes in the world (Collins, 2003). Due to Fukuyama (2001), the sustainability of an organization is directly linked to the question of core values, although we have shared values, they may not yet produce social capital if the values are wrong. Profit orientation as a value has been replaced with a new value of sustainability (Drucker, 2003). Also, a research by Wilson and Eilertsen about strategic planning and survival during economic recession produced results that show the importance of core values. Although in 2009, organizations have more focus on cash flow and liquidity than they did a year ago, managers are experiencing greater internal pressures or conflicts inside the organization because of the changes in business environment, leadership is using the situation to make difficult decisions, and there is more leadership steering than managers had experienced in the past, despite these pressures, two-thirds of managers are convinced that their actions during the crisis remain aligned with the values and vision of the organization (Wilson & Eilertsen, 2010).

The association between values and organization's success has also been researched as an important aspect. With reference to corporate ethical values, Hyman (1990) contendes that positive employee perception of top management's values and beliefs will lead to higher performance outcomes. Bergeron (2007) concludes that individuals that perceive high congruity between an organization's ethical values and their own will feel more motivated. Schwepker (2003) suggests that congruity between the ethical values of an employee and their organization will positively influence employee's performance.

Flowingly we are trying to research how constant the organizations' management values have been in Estonia during the last abrupt changes in the economical environment: At first, we observe if values change in general; as for second, we study if our pre-stated logical assumption holds—that while the economic situation deteriorates drastically, the basis of management values change and socially responsible and ethical behavior receives less consideration.

Organizational Effectiveness vs. Values

One important aspect that draws attention to the importance of values in an organization is the connection between organizational values and organization's success. Several modern researchers have pointed out that the constancy and direction of organizational values are some of the most important aspects to predict a company's success. For example, Kotter and Heskett have written in their book *Corporate Culture and Performance*, that companies with strong adaptive cultures based on shared values outperformed other companies by a significant margin. For example, they show how valuing interest groups influence success—companies that emphasized all stakeholders—employees, customers and stockholders, and focused on leadership development, grew four times faster than companies that did not. They also found that these companies had job creation rates seven times higher, had stock prices that grew 12 time faster and profit performance that was 750 times higher than companies that did not have shared values. Collins and Porras (2003) confirm the same tendency in their book *Built to Last*, where

they compared organizations with gyroscopes which keep the organizations in balance—the main values stay changeless, but other organizational processes continue to change. They show that companies that consistently and in long-term focused on building strong corporate cultures outperformed companies that did not by a factor of six and outperformed the general stock market by a factor of fifteen. Beu, Buckley and Harvey (2003) set the organizational values even on a higher position while they say that business, as a type of society, is possible only within a certain social context of institutions, agreements, understandings and shared values.

Shared Values and Job Performance

In the case of value-based leadership, it has been discussed that in reality, all organizations are value-driven. But what is important is the fact whether the values are conscious, shared and lived, or unconscious and undiscussed. When values are unconscious and undiscussed, the culture of the organization usually reflects the personality of the leader. Unless the organization has a very evolved leader, it is unlikely that there will be an alignment between employees' personal values and the leader's values (Fitzgerald & Desjardins, 2004). At the same time, a high consensus in followers' perception of their leader does not assure that performance is in line with company expectations. Consequently, it is proposed that high work values moderate the relationship between consensus and performance (Schyns, 2006).

When values are conscious and discussed, it is likely that they are shared and lived. In this case, there is a stronger possibility that that there is an alignment between employees' personal values and the organization's values (Fitzgerald et al., 2004). Westerman and Cyr (2004) analyzed personality and work environment congruence and found that value congruence was the best predictor of job satisfaction. Verquer, Beehr and Wagner (2003) also found that value congruence and turnover intent are in strong positive correlation with each other. One other important result was that when individuals' values match those of their organization, they are less likely to leave.

A whole theory has been created to explain the connections between organizational environment and the individual (the person-environment fit theory), that assumes that individuals prefer an environment that possesses characteristics (e.g., values, beliefs) that are similar to their own (Kroeger, 1995). The theory says that if people fit well with an organization, they are likely to exhibit more positive attitudes and behaviors.

Leadership and Shared Values

Therefore it is important to understand while connecting values and organizational success to each other whether the behavior of the organization is based only on the manager's or the organizations shared values. It is also important that the organizational values cannot be seen separately of leadership and management behavior. Terrence Deal and Allan Kennedy found out that leaders should not hesitate to communicate their values widely and advocate for them vigorously. They considered important that leaders create a guiding vision and shape shared values. James MacGregor Burns believes that leaders should help followers reframe their understanding of core values from self-interest to a broader view of the common good (Whitmire, 2005). Peter Drucker (2003) wrote:

> The leader is visible; he stands for the organization. He may be totally anonymous the moment he leaves that office and steps into his car to drive home. But inside the organization, he or she is very visible, and this isn't just true of the small and local one, it is just as true of the big, national, or worldwide one. No matter that the rest of the organization doesn't do it; the leader not only represents what we are, but, above all, what we know we should be.

Also, Alas and Tuulik (2004) emphasized the importance of managers in strengthening the values and believed that common values can be attained through improved training and improved management practices and also by having the right leaders for the job.

We have no reason doubting the importance of behavior of managers in influencing the values of an organization but more important become the question—how important are their actions in forming organization's values in the eyes of the managers themselves. For example, based on the research of McKinsey and Co in 2009 (763 executives who responded) two most important activities for managers were "leadership (shape and inspire the actions of others) 49% of respondents and "direction" (capacity to articulate where the company is heading and how to get there) 46 % of respondents, but activity "foster a shared understanding of values" was important for only 8% of respondents. Researchers claim that ensuring shared values has become less important since the economic crisis began, while the other two qualities have become more significant (Wartzman, 2009).

Therefore, of critical importance is how much do manager's value spreading and following the organizational values inside the organization. While getting over the crisis those organizations survive that have kept to the same core values in the long run.

Consultant Kane (2009) has described how core values affect performance and managers definitely have an important role in that process. She believes that: "Managers and others throughout the organization give priority attention to what is stressed in the corporate values system and this in turn supports producing the priority results". If the employees have acknowledged the core values they make better decisions, because they are guided by their perception of the shared values. Also, if employees share the values then they are more likely to recognize that they are an important part of the organization. They are more motivated because life in the company has more meaning for them. They work harder because they are dedicated to what is expressed in the organization's core values.

Values Which Predict Success

Peters' and Waterman's seven values of excellence. Several authors have investigated which organizational shared values predict success. Many researchers have been carried out where connections between different shared values and organizational success have been investigated. Boxx, Odom and Dunn (1991) used Peters' and Waterman's seven values of excellence, stated in 1982 (superior quality and service, innovation, importance of people as individuals, importance of details of execution, communication, profit orientation, and goal accomplishment) and analyzed their correlation to work satisfaction. Although positive correlation was found among highway and transportation managers, the results can be generalized because later researches also confirm correlations between values and work satisfaction.

Hultman's 15 values. Hultman has brought out 15 values (self-directed learning, adapting to change, balance, seeking opportunities in the midst of uncertainty, utilizing ability, distributing rewards fairly, finding satisfaction in work, serving mutual interests, working as an owner, prizing wisdom, being authentic, seeking truth, celebrating differences, accepting people and viewing people as ends in themselves), that in his opinion are particularly relevant for success in this current business climate of global competition and instant communication. Those values also happen to be humanistic values that foster wholeness and integration (Hultman & Gellerman, 2002). Hultman also stresses the importance of connection between organizational and individual values: "Effective culture is one that successfully balances individual and organizational values, that is, walking the

tightrope to success" (Hultman & Gellerman, 2002). Based on research he also claims that profits are higher when individual and organizational values are aligned. He writes that many organizational problems can be traced back to people's values (Hultman & Gellerman, 2002).

Risk-taking value and success. Organizational success has been also tied to risk-taking. Zukerman and Kuhlman's (2000) study show that generalized risk taking is related to scales for impulsive sensation seeking and aggression. Logically, it could be guessed that risk-taking is rather positively connected to organization's success but based on several researches the connection seems to be indeed negative. Rauch and Frese (2002) show that high risk-taking is negatively associated with business success, Estola (2004) found that risk-taking is a contributory factor to the unethical in business. Based on theory another value that is negatively correlated to organization's success is concentrating of profit—Amos and Weathington found that there are general negative connotations associated with organizations that individuals perceive as only valuing profit (Amos & Weathington, 2008).

Ethical Values and Success

Correlations between ethical values and different constructs (devotion, work satisfaction) have been studied relatively much also they have proven to have positive correlation with organization's success. For example, Hunt, Wood and Chonko (1989) discovered a positive association between corporate ethical values and organizational commitment, Singhapakdi, Kraft, Vitell and Rallapalli (1995) proved that those employees who exhibited a greater degree of belief in corporate ethical values placed more importance on ethical approaches and social responsibility, thus leading to the overall increased effectiveness of the organization. In the next study Singhapakdi, Rao and Vitell (1996) found that an organization that appears to have ethical values shared by its employees is relying on the ethical reasoning of its decision makers.

DeGeorge ties organization's success to ethical values more directly, assuming, based on the study, that the freedom of business to make profit is limited by the values of fairness, equal opportunity, honesty and truthfulness (DeGeorge, 1999) and therefore setting ethical values on the first place above all other values. Others have also mentioned the importance of ethical values. Barnow, King and Krumina (2003) tied ethical behavior to social capital, based on the fact that making human relations more ethical directly increases the value of social capital. Alas and Tuulik (2004) develop the idea of importance of ethical values further, stressing organization's ethical competencies by which they mean a company's ability to change its activities so they conform to a set of ethical standards, and so, to manage its own values and commitments. Therefore, when an organization bases its actions of ethical values they also appear in organizational behavior as ethical competencies and thereafter the behavior of the organization as a whole influences the employees to work harder and finally the performance of the organization rises.

In different researches especially one value has been demonstrated as an important ethical value, which is fairness (Moorman, Niehoff, & Organ, 1993; Clemmer, 1993; Oliver & Swan, 1989). On one hand fairness is important as an organization's core value, but employee's perception of how fairly he or she is treated can become even more important. Perceived fairness is a key antecedent to commitment, job performance and job satisfaction. The value of employee-centeredness can also be discussed through two aspects. The importance of people as individuals' value facet significantly related to job satisfaction. This circumstance indicates that

employees who perceive their organization as valuing employees as individuals report higher job satisfaction (Amos & Weathington, 2008).

Research

Research Methodology

This research can be called critical discourse analysis (more information about this in Laherand, 2008, pp. 329-330, or Fairclough, 2002, pp. 91-116). The same principles have been used in other researches in Estonia by Lauristin (2000)—investigating articles appearing in two newspapers during 10 years that were collected out of certain two month issues of each year (Lauristin's analysis is centered on typical metaphors that carry the means of translating social changes).

In a similar way, we use documents, namely business magazine Director's 2007 and 2009 issues as the database for our qualitative study. In 2007, Estonian economy was in the phase of fast growth, quite fast inflation accompanied that also. Wages (and prices) rose, there was lack of work force, not lack of work. It could be guessed that in that kind of environment the managers of companies were considerate towards their employees (valued them relatively highly) and acted also more broadly responsible towards other interest groups (taking higher stages of model of Corporate Social Responsibility).

In 2009, Estonia was already in deep economic crisis, lack of work was serious, companies had hard time selling their products both here and outside markets, several companies had gone into bankruptcy, both wages and prices had stagnated—we guessed that in that kind of situation the values of entrepreneurs (in Estonia: managers of companies but also co-owners) would comply with lower stages of model of Corporate Social Responsibility.

As it can be seen we used magazine articles in our study. The articles were interviews with managers of companies—that kind of database can be named as documents. Hirsjärvi (2005) suggests data gathering method based on documents, mostly along with other data gathering methods but it can be used as an independent method also (Flick, 2006, pp. 245-246).

To ensure validity and reliability of our investigation we used Creswell's (2003, pp. 196-197) proposed researcher triangulation which means using different observers to discover or minimize mistakes that come from the researcher's person, like it was said above, we were reading the articles from business magazine director, issues of 2007 and 2009. Each of them included about 10-30 business related articles that in our view represented important values of that particular time in our business world. Two researchers read independently each article and wrote down the values that the article carried. One hundred and fifty seven articles in 2007 issues were read and 401 values were written down. One hundred and sixty five articles in 2009 issues were read and 340 values were written down.

Next the discovered values were analyzed. Values inside the article that we agreed upon us added to the database. If different values appeared, our third researcher read the article, too. If her opinion was the same as either of the two others those values were added to the database, if not, then these values were not added. In 2007, there were 27 and in 2009, 30 articles that did not show any clear values. The values added in the database were analyzed and similar were gathered together. If necessary the same articles were re-read to make sure that similarly named values would actually represent values with the same meaning. The results of research are shown in the Appendix A.

Discussion

This research showed an important change of values in the period of 2007-2009 (see Appendix) that can be described by Estonian economy reaching deep economic crisis, coming from very fast economic growth. That was also accompanied by very fast growth of unemployment (the number of unemployed people doubled in a year—2008 IV quarter, 53,500 people, and 2009 IV quarter, already 106,700 people. Estonian population is approximately 1.3 mil). In the beginning of 2010, unemployment continued to rise. This has been the highest level of unemployment in Estonia in 12 years (Toompark, 2010).

For many companies, it was more useful to go into bankruptcy than to continue working. In 2009 in Estonia 1,055 businesses and 14 non-profit organizations were estimated unable to pay their debt which meant that the number of bankruptcies rose compared to 2008, 2.5 times, in numbers 623 companies. Statistics show that every 133th business, that is 0.75% of all businesses in Estonia went into bankruptcy (Karner, 2010).

Innovation and creativity. If we analyze the change of values (see Appendix A), then we can bring out both important changes and also those values that were left at the same level and were mutually important both in 2007 and 2009. Innovation and creativity turned out to be very important. They are directly connected to fast changes in the society and the need to stay in competition and keep up with the fast development in technology.

Innovativeness, creating something new is also named as most important by professor Lauristin (Raun, 2010), who states that these are the keys of bringing a country and an organization of the crisis. In her words, it is clear that innovativeness is needed in Estonia, but it is another question if we can meet those needs. According to our research, creativity and innovation are important values by the number of times they appeared, but their change in time was not noted. If we talk about knowledge management as a management instrument in a modern organization, innovation being presented as a value must be considered as an important issue, because the innovation views and creativeness are the significant parts in process of knowledge management development.

Risk-taking. Economic crisis brings out the need to rising professionalism and risk-taking. If in economy taking risks is seen as a possibility to achieve higher results, then this study also confirms that in difficult economic conditions taking risks may mean ignoring ethical principles and laws. In order to use the risk to come out of the crisis one must in full awareness use the principles of risk management. Risk management can thus be defined as a systematic application of management practices to identifying, analyzing, treating, and monitoring uncertainties to better advice crisis management (Robert & Lajtha, 2002).

The rise of professionalism and courage to risk as values and using knowledge management is connected to the opportunity to use the situation for one's own advantage, and therefore be more competitive in the market. The point of view is the courageous survive. The crisis gives an extraordinary possibility to change both organizations and economic structure. Managers who miss the opportunity to use the crisis for long-term changes not only waste a good possibility, but also make re-appearance of other crises possible (George, 2010).

Teamwork. The possibility for long-term changes is connected to crisis management and knowledge management. Knowledge management itself will not solve the problems. The active involvement of top management and the board and the exercise of their power on these knowledge matters are vital. As knowledge is vital the organizations need active teamwork by employees and management to implement changes. At the same time, research showed that in times of crisis, the importance of teamwork as a value has diminished greatly. Therefore, it is contradictory that knowledge management is important for coming out of the crisis but at the same

time Estonian managers do not value one of the main competencies of using it—teamwork. The reasons of lack of teamwork can be uncertainty and fear of losing one's job. Therefore, everybody is concerned about keeping the status quo instead of actively searching for new opportunities. The same results are backed up by the fact that communication as a value diminished because teamwork means communication. It is difficult to conceive of how such learning, knowledge and regulation can control or change human nature, especially greed.

Motivation and valuing the employee. Analyzing these values that changed remarkably in negative direction, motivation and valuing the employee must be pointed out. The diminishing of these values can be explained by the fact that having a job became a value of its own during the time or crisis and being motivated while having a job was elementary. Simply put it means that for employees the content of the job, job environment, management activities and other factors that influence work motivation and satisfaction became less important because lack of work-force that described the earlier period had been replaced by massive lack of work. Changed economic conditions brought out sparingness and saving as values that represent in general the whole operations of an organization—the main savings were made in employee wages (in 2009 III quarter, Estonian average salary was 11,770 crowns. The drop in annual average salary was 5.9%. Still in 2008, the rise in average salary was 14.8%, average salary began to drop in the I quarter of 2008 (Toompark, 2010)), number of jobs, expenses on trainings and other employee-related costs. Because of that responsibility for the employees diminished as the employers often felt they had power over them (many possible new employees around). Although courage and risk as values appeared more often, it seems contradictory that aggressiveness and competition diminished. This tendency can be explained by several cartel agreements occurring during these times (Prangli, 2008).

Crisis management with full awareness. To use crisis as a possibility to develop and change economy, it is necessary to use crisis management with full awareness. Crisis management is broader in scope and can be defined as a set of ongoing and systematic processes for identifying, analyzing, and treating business crises by applying management practices (Mitroff, 1994). Crisis management frameworks can be categorized according to those that focus on why crises happen, which is termed operation-oriented frameworks, and those that focus on how crises impact organizations and the tasks that need to be performed in order to lessen their impact, which is termed process-oriented frameworks (Wang, 2009).

If we analyze the differences among negative values that appeared it shows that in the earlier period overbuying and overbidding, brutality and shrewdness were condemned. But in 2009, more organization-centered behaviors were brought out as negative values—too much profit-centeredness, lack of mission, not trusting employees and too little creativity.

Results and Conclusion

In this paper, we researched the constancy of management values in times of economic crisis. We started out with the hypothesis that in hard economic conditions less attention is paid to ethical values and economy-based values will take their places. At the same time, several earlier researches made us doubt that hypothesis. They said that those companies whose core values and mission stayed constant in long term survived any crisis better. In this research we followed the change in management values in 2007 (time of rapid economic growth) and 2009 (deep crisis in economy).

Moorman points out that the most important value is fairness and it should even be one of the core values of the organizations, but at the same time our research shows that the fairness as a value is decreased at the time of crisis. Comparing the values discovered by our research to values brought out by Peters, Waterman and Hultman, we can admit that four values of Peters et al. were also discovered in our study—superior quality and service, innovation, importance of people as individuals, communication. But in our study communication and importance of people diminish during the crisis. Other values, important by Peters et al.—importance of details of execution and goal accomplishment did not show up as significant in our study. Comparing our results to Hultman's important values we can mention fairness and honesty, whereby the occurrence of honesty is increased and occurrence of fairness is significantly decreased-it confirms the decrease of importance of ethical values in the time of crisis.

The management values analysis 2007 versus 2009 shows a certain change in values but does not bring out the need for knowledge management and learning as a value. Also Holland (2010) claims that knowledge and lack of it was also deeply implicated in the crisis and in many of the above problems, and hence addressing these issues will be part of the solution.

What are the conclusions of that research? We must admit that there has been an important shift among management values in the period of 2007-2009. In the centre position, there is survival, not so much competition but still sustainability is tied to innovation and creativity.

Sustainability in a society, in Estonian economy coming out of the economic crises means that our economic structure also needs a change to be competitive. If Estonia has clearly approached the EU and developed countries economies characteristics in some ways, then we cannot say that about our economic structure's dynamics unfortunately (Terk, 2007). James Collins and Jerry Porras of Stanford University (2003) found that the main differences between the visionary companies (companies that survived the economic crisis) and the control group with which they were compared were in their approach to values. All the visionary companies had a powerful sense of their identity and what they wanted to achieve. Managers in global business can help their firms to be successful and to minimize ethical conflict in several ways. The most important in sustainability of an organization is that the core values stay the same.

Surviving is also connected to opposite values, saving and frugality on one side but also courage and risk on the other. Diminishing competition seems illogical but it can be explained by making cartel agreements that represents growth in unethical behavior. Cartel agreements are connected to the need to lessen the competition on the market and therefore ensure the survival of your own organization but at the same time this activity shows ignorance of ethical values. At the same time, other researches (Alas, 2009) show that having ethical values present in the organization is an important prerequisite for employees to go along with changes.

As the research confirms the importance of ethical values like respect, valuing of employees, justice and responsibility has diminished remarkably, the hypothesis that was set—in hard times economic concerns prevail over ethical and philantropical ones—is proved right. At the same time the will of an organization to keep the status quo and not to use the crisis as an opportunity for positive changes points out.

In conclusion, it can be said that the year 2007 is described by innovation and creativity, communication and caring as values, also valuing the employee, stability and intentionality. In 2009 innovation, creativity and caring remain important but ethical values as fairness, respect and valuing the employee lost their significance.

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Appendix A

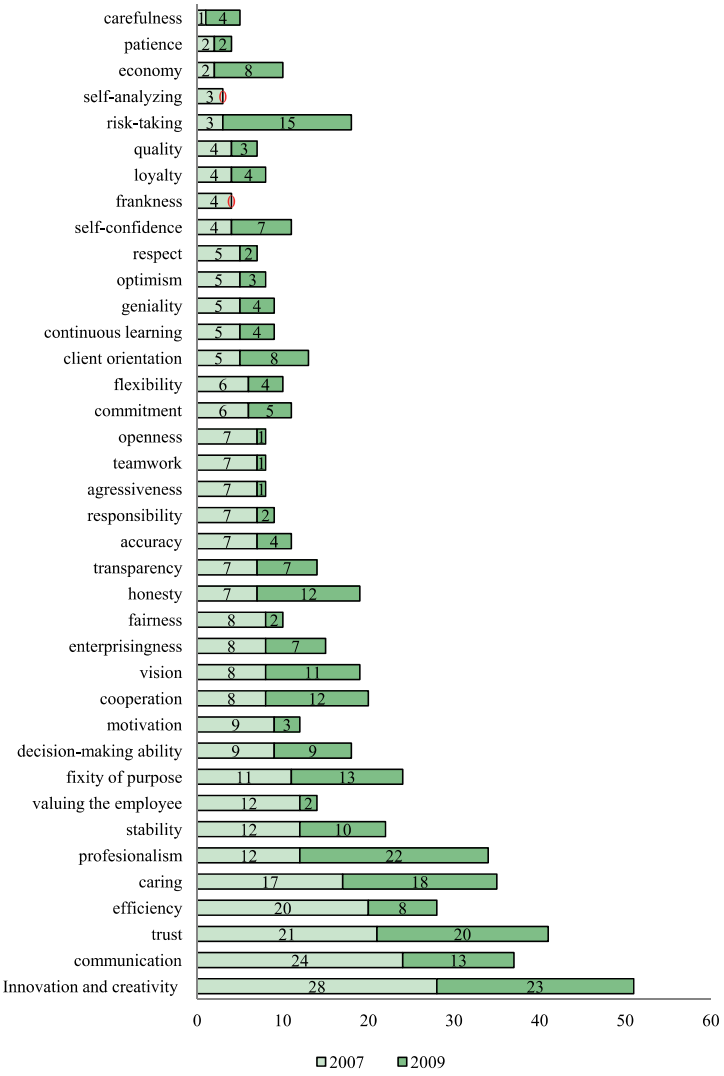

Figure A1. Change of management values in Estonia in business life between 2007-2009, by the frequencies of the occurrence of values.

Appendix 2.

Research paper II

Titov, E., Virovere, A., Meel, M., & Kuimet, K. (2013). Estonian Managerial Values in Value Systems in Ensuring Sustainability of Organisations. *Journal of Management and Change,* 1/2 (30/31), 66-81. (ETIS 1.2)

Estonian Managerial Values in Value Systems in Ensuring the Sustainability of Organizations

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Abstract

The organizational value system is a construct, which contributes to the sustainability of an organization. The sustainability of an organization is directly linked to the question of core values. Many researchers have discussed which values are most important and lead the organization to success. Employees who feel that an organization values the same things that they do will be more likely to have attachment to their organization. Thus, the organizations with their core values are determined as successful or unsuccessful. We attempt to determine which values are typical of Estonian organizations. The aim is find out where the Estonian organizations are positioned in the value system models. We use critical discourse analysis to identify the managerial values based on articles published in management journals and to fit those into the well-known value systems to predict the sustainability of Estonian organizations.

Keywords

Organizational Values; Value System; Innovation; Managerial Values

Introduction

The aim of the paper is not to introduce new theories or methods, but rather to investigate the links between phenomena such as organizational values and sustainability as the key factor for organizational success.

A couple of decades ago a dominant understanding in management was that people are expense items first of all and that management is able to produce value added only as much as it can keep down expenses. Due to the transformed role of employees in the contemporary changing environment, the viewpoints have changed. The contribution and role of the employees in creating a competitive advantage and achieving the objectives is

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increasing. Hence, the understanding of the importance of linking the mind and motivation of employees with the main aim of the organization (achieving the managerial objectives and creating competitive advantage) is increasing. Employees who feel that an organization values the same things that they do will be more likely to have attachment to their organization (Amos, 2008). An organization's values are closely linked to leadership, development of organizational culture and motivation of the employees. The focus is above all on humans and by ignoring values it is impossible to lead people today. While in the 1990s the organizational culture and values were treated as resources that help to stay in competition (Barney, 1991), today the investigators argue that for an organization, being based on values is the issue of survival (Raich and Dolan, 2008). Increasingly, more value is attached to employees, their merits, motivation and commitment. Employees have become so important that management is advised follow the principle that an organization is successful when it is managed as a community of persons (Melé, 2012a). Numerous attempts have been made to re-humanize the workplace, for example, by "empowering" the employee (Lee and Koh, 2001). This might include, for instance, "job enlargement" and "job enrichment". For example, some car manufacturers' (the Swedish Saab and Volvo) experiments include replacing the production line with small, team-based working groups (Crane and Matten, 2010).

A value system is frequently understood as the ordering and prioritization of a set of values (principles, standards or qualities considered worthwhile or desirable) that an actor or a society of actors holds. However, the values that a group or an actor holds may fall into several different categories since the concept of values is multifaceted (Abreu and Camarinha-Matos, 2008).

Every employee brings into the organization his/her own values. These values give the organization its "face", which develops when individual value systems are in sufficient coincidence and have a common understanding to smooth difference. Usually, in this way a small number of interrelated shared values develop instead of a particular one. These values form the organization's value system. Several authors have tried to model the organizations' value systems (Dolan et al, 2003; Lencioni, 2002; Melé, 2012a; Schumacher, 1973, etc.). Among these we have chosen three value systems – the models of Melé, 2012a; Schumacher, 1973; Beck and Cowan (by Cowan and Todorovic; 2000)). The value systems gained essential importance in the approach (theory) of humanistic organization the earliest, and the most well-known theory in this field is the value system developed by E.F. Schumacher, which is still frequently used. Melé represents the postmodern view of an organization and this is at present the newest and most essential value system model. Beck and Cowan's spiral dynamics theory is a value system model that is developed for a concrete organization. Principally, it represents the modern approach of the organization.

Authors use these models for estimating the place of Estonian managers' real values in the hierarchies of the value systems. The innovative point of the investigation: to achieve the above-mentioned goal first have to analyze these three theoretical value systems to find connections between them and their common core. Only then can move on with estimating whether the real values of Estonian managers tend to be congruent with lower or higher value levels.

The novelty of the practical part of this investigation lies in an attempt to group the real managerial values of the organizations under investigation. This enables to fit them better on to the levels of theoretical value systems. As a result of the investigation the authors offer the basis for analyzing whether the real values of (Estonian) organizations support the sustainability and success of organizations. The authors hope that this investigation could also be used by other investigators as an exam-

ple of the estimation process of the advancement of the real values of an organization.

The practical part of this research could be classified as a critical discourse analysis. As for documents, the authors use issues from 2011 of the business magazine Director. To ensure the validity and reliability of the investigation researcher triangulation proposed by Creswell (2003) is used.

In short, we can summarize the research tasks as follows:

- To describe briefly the context of Estonian management practices;
- To give a short overview of the three theoretical value systems;
- To analyze papers to consensually find out the managerial values described;
- To group the values and form a list of most frequent ones;
- To fit the values detected into the value systems;
- To analyze the reasons associated with the newly formed value systems.

Management Practice in the Estonian Context

Since the 1990s, after regaining independence, Estonia has been balancing on the edge of a developed and underdeveloped country. In terms of the character of production, on the one hand, many innovative enterprises exist, especially in the field of information technology. On the other hand, the majority of the workforce is engaged in low-skilled sub-contracting jobs.

Although such descriptions are usually typical of transition economies, a major concern is the insufficient readiness of Estonian organizations to change their positions in the overall value chain. The main goal of organizations in the sectors of the economy with higher productivity is to increase income. In contrast, in sectors with low and medium productivity the focus is on the efficiency of the organization by cutting expenses (Vadi and Türk, 2009). Managerial practices of Estonian organizations are relatively conservative (Zernand-Vilson and Terk, 2009) and because Estonian organizations are managed identically, insufficient attention is paid to sectoral specificity and the organization's size (EAS, 2011). This confirms the problem that management principles and values are not in harmony with the values of a sustainable organization. This is also proved by Zernand-Vilson and Elenurm (2010) who argue that although enterprises operating in Estonia follow such Nordic management practices as management by objectives, especially in the form of a balanced scorecard, "softer" Nordic management practices, such as focusing on employee individuality and personality or self-directed work teams, do not appear as growing directions. The Estonian Development Fund's report on the Current Status of Competitiveness of Estonian Economy (Varblane et al., 2008) points out that the business models in use are not developing at a fast enough pace, new markets are not pursued and management is quite conservative.

According to the European Union innovation study, one-third of all organizations are capable of changing, one-tenth could change their position in the value chain, but 40 per cent are unable to see the need for change. These findings show the peculiar "path dependency" of organizations (Vadi and Türk, 2009). Comparisons of Estonia's innovation potential with other EU countries (based on EU innovation scoreboard data) reveal that Estonia's combined innovation index is only slightly lower than the EU average, Estonia being classified among "innovation followers" – the group of ten countries attempting to catch up with the innovation leaders (Sweden, Denmark, Finland and Germany). As for innovation dynamics, Estonia is one of the most successful in the EU, having improved its innovation scoreboard indicators by 6.6% over the past five years (Eesti Inimarengu Aruanne, 2013). Still, based on the innovation activity of Estonian organizations, innovations are predominantly made from the viewpoint of the organization

rather than from the market; firstly, innovations are versions of the product rather than a radically new product. Secondly, organizations' expenses on product innovation are low as compared to the international background and a large share of these expenses involves the procurement of new equipment rather than sophisticated innovative activities. Furthermore, cooperation with universities and research institutions for the innovation of production is low (ibid: 39-40).

Thus, although Estonia is quite successful, the country still remains on the edge: the nearest future will show whether Estonia is able to break into the core group of leading countries, or whether it will fall into the semi-periphery group. In a previous study of values (Virovere et al., 2011), the authors pointed out that the economic crisis intensified the values, which do not support sustainable growth of Estonian organizations.

Next, this study will focus on the values propagated in Estonian management in 2011, when the Estonian economy was recovering from the crisis, and discuss how these values conform to different value systems characterizing an organization's sustainability. Propagated values are the values used in the literature as well as on organizations' homepages, but which in real life, however, are not the basis for everyday behavior and management since they are not actually acknowledged. We used the journal *Director*, which covers Estonian management, management practices and contemporary management theories to find out propagated values. *Director* was chosen because there are cases about the management of organization (mostly presented by the top and the middle-level managers), which form the basis for estimating the real values prevalent in Estonian organizations.

Organizations' Value Systems

Systems are abstract models of elements and relationships, so that properties under study must be related to the organizational level of the model. Value systems move like a joystick and glide from looking inward to focusing outward, and from attention to the individual to thinking as a collective (Cowan and Todorovic, 2000).

Despite a multitude of different views, it is assumed the value systems address the value impacts on the ways of thinking among individuals and groups. Often, different value systems compete and clash for domination over each other within an organization. None of the value systems are inherently better or worse than any other. In our analysis we used three different concepts – Schumacher's model of organization as a value system, Melé's model of five levels of human quality, and Beck and Cowan's eight value system. The common denominator for the three selected theories of the value systems is that all these proceed from a person, and the most important characteristics in all the three are the ethicality and creativity. Schumacher's model is the most technical one and focuses on the ethicality of organization of the work process. Melé surveys the matter how an employer treats the employee – is she/he treated with respect or only as a mean. Beck and Cowan proceed from the hypothesis of the mutual development of a person, organization and society, which takes place simultaneously in the three layers of the value stream (surface, hidden and higher levels).

Schumacher's Value System

More than 40 years ago, E.F. Schumacher published his famous book "Small Is Beautiful" (Schumacher, 1973) where he expressed the theses about ethical work-design. He argued: "the modern economist has been brought up to consider "labor" or work as little more than a necessary evil. From the point of view of the employer, it is in any case simply an item of cost, to be reduced to a minimum if it cannot be eliminated altogether, say, by automation. From the point of view of an employee to work

is to make a sacrifice of one's leisure and comfort, and wages are a kind of compensation for the sacrifice..." and further: "... to organize work in such a manner that it becomes meaningless, boring, stultifying or nerve racking for the worker would be little short of criminal; it would indicate a greater concern with goods than with people, an evil lack of compassion and a soul-destroying degree of attachment to the most primitive side of this worldly existence..." (Schumacher, 1973: 141-142).

Until Schumacher, the most important function of work was to produce goods and services, although since "Schumacher's Revolution" the production function has been placed at the bottom, and the creativeness of work and teamwork rose to the fore as a means for developing the sense of unity. Schumacher points out managerial functions, values that should be followed in a successful organization:

Creativity is involved in all these (managerial) values that contrast with the dull, routine working and have a developing effect on humans, i.e., all these values that push people to creative brain work. Creativity is a value that gives real meaning to human work: using the Buddhist way of thinking, Schumacher argues that the real meaning of human life is self-improvement in order to achieve enlightenment (Schumacher, 1973). Although Schumacher did not investigate the relationship between the creative function of work and an organization's sustainability, later research has confirmed the positive correlation. Merrill (2008) highlights that good knowledge management is the platform from which innovation is developed, and an innovative organization enables the rapid transfer of the knowledge that is in people's minds by using its network. Also Jaakson et al. (2011), have argued that innovativeness enables organizations to compete successfully on international markets. Thus Schumacher's ideas are still a natural attitude towards the 21st century management values: talented people who possess knowledge, skills and ideas (that is, creative capability) are considered the most valuable intangible assets of the new economy (Moon and Bonny, 2001).

Teamwork entails all these principles and values which the employee needs to follow to enter into a positive relationship with leaders, being only their closest colleagues (team in its narrow sense) or also clients, partners, community where they act – all these relationships where persons may feel part of society rather than isolated. Schumacher comprehended the significance of teamwork, arguing that by working in a collective persons get used to perceiving themselves as a part of the whole universe; learn to perceive their unity with the universe. As in the creativity function, appreciation of teamwork has shown positive effects on enterprises' success and sustainability: Investigators found that one of the strong reasons for Japan's success, was the Japanese way of work organization where stress was upon the creative character of work and motivation of employees through teamwork (Kennedy, 1994; Crane and Matten, 2010).

Responsible production – Schumacher points out a need to change the principles and values of production, explaining that for humans, production should not be only a way of earning a living but the employees should feel that the products they make are important for society – like with teamwork, it should be possible by making a certain product to feel the connection with society. He gives an example: "In industry, we can interest ourselves in the evolution of small-scale technology, relatively non-violent technology, 'technology with a human face', so that people have a chance to enjoy themselves while they art: working, instead of working solely for their pay packet and hoping, usually forlornly, for enjoyment solely during their leisure time" (Schumacher, 1973: 147).

Spiral Dynamics and Value System

Spiral dynamics, developed by Don Beck and Chris Cowan on the basis of the late Profes-

sor Clare W. Graves' work, is an approach to understanding the development of individual people, organization and societies (Howard, 2006). The spiral dynamics and value system, an evolutionary theory, contains three layers in the values stream. Occasionally, the first layer – surface values, is most important to predict the whole organizational or persons' value system. Surface values are openly stated moral positions and behavioral rules based on religion, law, and common sense. Strategy sometimes scans surface values in mission and vision statements. A good sense for hidden values finds out the reasoning beneath surface values and exposes why long-standing beliefs, attitudes, and traditions exist in organizations (Cowan and Todorovic, 2000).

The function of values at higher levels is to fix goals, identify errors and provide guidance. In this way values are prior to emotion in shaping perception and in guiding response. Higher-level values may help to coordinate action and to resolve the paralysis of conflict. Such processes and values involve error correction, allow for growth as well as stability, and make possible increased adaptive potential. To mitigate conflict and stress, higher level values may be modified and logically compounded to frame and select for criteria designed to resolve problems (Buchanan, 1997).

Spiral dynamics is the study of the emergence and patterns of deep values that mold strategists' worldviews, form corporate mind-sets, structure leader/follower relationships, establish decision structures, and define reality (Graves, 1996). There are eight zones along the spiral (see Table 1), designated as: beige, purple, red, blue, orange, green, yellow, and turquoise (Cowan and Todorovic, 2005). These value systems emerge in a consistent pattern and sequence according to the prevailing life conditions and challenges experienced by an individual, organization or society (Howard, 2006).

Each zone is flanked by an "entering" phase, which carries on some of the previous thinking, and an "exiting" phase, which recognizes the problems of existence (Cowan and Todorovic, 2005).

Table 1: The value system in organizations

The 8 Value Systems	The management style in the organization is:
1 Beige Automatic	(not described at organization level)
2 Purple Animistic	Family-like – you are taken care of by a good leader who upholds traditional ways. The group comes first
3 Red Egocentric	Autocratic – there is one person in charge who tells you what to do or there are turf wars between competing "powers"
4 Blue Absolutist	Bureaucratic – everyone follows the rules that are laid down to maintain order. Penalties or punishments keep misdemeanors in check
5 Orange Multiplistic	Economic – enterprising and innovative behavior gets rewarded. Constantly improving performance through finding and sharing best practices
6 Green Relativistic	Social – a supportive team of equals developing their human potential. Decisions involve consensus building, individual developmental needs are recognized and supported
7 yellow Systemic	Systemic – a competency based network where methods are adapted to the task in hand. Blending different styles and solutions to do what works
8 turquoise Holistic	Global – taking a global or worldwide view blending insights from anywhere for the good of the whole. Engaging with the energy field of the whole system

Source: adapted from Howard (2006)

Melé's Value System

From its beginning, management is focused on people to improve the efficiency, trying to achieve goals using a minimum of resources. Melé understands the management values in principle similar to Schumacher: he places "treating employees as values for their selves" first, accompanied by achieving the effectiveness and sustainability and divides organizations into five groups: (1) mistreatment, (2) indifference toward people, (3) respectful treatment, (4) concern for people's interests, and (5) favoring mutual esteem and cooperation (Melé, 2012b). Each level is characterized by certain values according to which the quality of management may be described.

Mistreatment of people is the lowest level of human quality in dealing with people. All these behaviors violate basic human rights and are, therefore, blatant injustice, contrary to the respect due to human dignity and to the Golden Rule (Melé 2012b). When people are mistreated in an organization, their motivation to work declines essentially and therefore the organization's sustainability also sinks. Also, many ethical conflicts occur at that level. The analysis of conflicts in Estonian companies showed that among ethical rights the employees' right to participation and right to job satisfaction were violated most frequently (Virovere et al., 2002). Mistreatment refers to treating people in a harmful, injurious or offensive way; hence at that level employees are neither motivated nor satisfied.

On the second level of treatment people do not receive any encouragement, emotional support, consideration or recognition. People are used to achieve economic goals; some psychological technique may be employed to obtain more profitability from them, but without any consideration beyond this utilitarian goal. Many conflicts and discontent of employees may also occur at this level. At this level organizations can answer the question "What business are we in and how shall we compete?" but this does not engage people at an emotional level (O'Reilly and Pfeffer, 2000).

The third level is characterized by justice – give to each organization what is due, including respect and the promotion of human rights. From the management point of view, this level lacks a shared vision and common shared values (Melé, 2012a). Frequent conflicts also occur at this level, however, caused rather by a lack of mutual understanding. The study of conflicts in different companies in Estonia has shown that both managers and employees lack emotional competence based on emotional intelligence (Virovere et al., 2002).

The fourth level expresses acting toward people not only with recognition and respect, but also showing concern for their interests and compassion for their problems. The level describes the widespread understanding of excellent management; however, although attention is paid to the employees in such organizations, social responsibility is insufficiently prioritized (Melé, 2012a).

On the fifth level of human quality, concern is not limited to justice and care, but to proactively promoting a high consideration of the person and concern for personal development, mutual esteem among people, and a willingness for cooperation and service toward the common good (Melé, 2012a). This level corresponds to the values-based view of strategy in O'Reilly's (2000) approach, stating that the ability to execute strategy depends on an organization's ability to attract and retain great people and, more importantly, to use their knowledge, wisdom, and insights. At this level a willingness of cooperation and service toward the common good are revealed. Merrill (2008) argues that collective knowledge is fundamental for innovation. A new product portfolio must include a number of long-term and potentially major innovations in order for an organization to have a healthy future. Risk-taking is fundamental for innovation (Merrill, 2008).

Research Design

This research can be classified as critical discourse analysis (see a detailed description in Laherand, 2008 or Fairclough, 2002). The same principles have been used in other studies in Estonia by Lauristin (2000), in research papers published in two newspapers during 10 years, on the basis of data collected from two monthly issues each year (Lauristin's analysis is focused on typical metaphors that carry the means of translating social changes).

In a similar way, we use documents, namely the business magazine *Director* 2011 issues and articles, as the database for our qualitative study. The articles were interviews with managers of companies – a database that can be named as documents. Hirsjärvi (2005) suggests that a data gathering method based on documents, mostly along with other data gathering methods, can be used as an independent method (Flick, 2006).

To ensure the validity and reliability of our investigation we used Creswell's (2003) proposed researcher triangulation, which means using different observers to discover or minimize mistakes that come from the researcher's person. As mentioned above, articles from 2011 issues of the business magazine *Director* were used. Each of them included about 12-21 management related articles, which in our view represented important values prevailing in our business world at that time. Two researchers independently read each article and noted down the values carried by the article.

Next, the discovered values were analyzed. Values agreed upon were added to the database. Where different values appeared, our third researcher read the article too. If her opinion was the same as either of the two others, those values were added to the database; if not, the values were not added. In 2011, 21 articles revealed no clear values. The values added in the database were analyzed and similar ones were gathered together. If necessary, the same articles were re-read to make sure that similarly named values would represent values with the same meaning. One hundred and fifty-four articles in 2011 issues were read and 514 values were written down.

The values were grouped and a common denominator was found for essentially the same ones (e.g., communication skill, communicativeness, communication, etc. were grouped as the value "communication"). Further analysis was based on the list of values that consists of the value groups where the total rate of occurrence of a value was at least seven. There are a total of 20 value groups (hereinafter values) and these values have been mentioned on 309 occasions in the articles analyzed (see Figure 2). The list of values was compared with three value system theories: Schumacher's, Melé's and Beck and Cowan's value systems. The comparison identified where the values presented in Estonian management literature are positioned on different value systems.

Based on the descriptions of value system levels, the authors involved experts to distinguish which level a value fits into the best. Considering the principles of different value systems, that every previous level is included/excluded in the next one (Melé) or the levels are clearly distinguishable or only partly coinciding (Schumacher, Beck and Gowan), the 20 most frequently found values on the basis of the articles were divided into three value systems.

A simplified scheme of the interrelations between the three value systems is provided in Figure 1. Since all the systems are made for different purposes and at different levels of generalization, the connections are contingent, but lines on the chart denote the most important parallels. Dotted line characterizes the secondary connection, which means that the connection is contingent and may not occur in all circumstances.

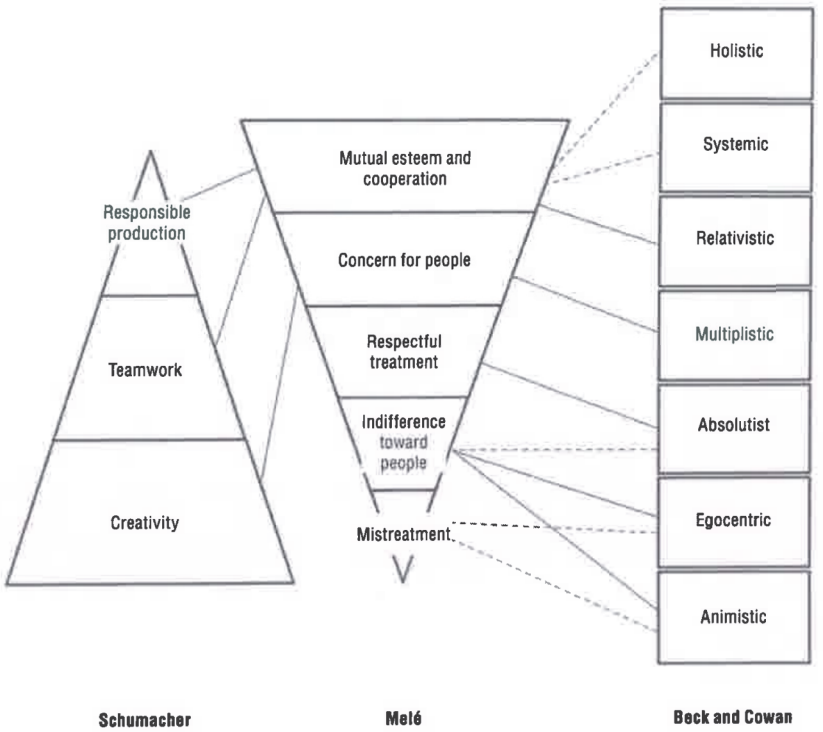

Figure 1: Connection between Schumacher's, Melé's and Beck and Cowan's value system models (according to Schumacher (1973), Melé (2012) and Howard (2006))

Results and Discussion

According to the research aim and research questions, five categories of results were included:

- Results of analysis of the propagating management values on the basis of the 2011 articles from the management journal *Director*
- Connections of the values discovered with the values describing application of Schumacher's management functions
- Positions of the values discovered in Melé's model of five levels of human quality
- Positions of the values in Beck and Cowan's model of the eight value system
- Comparison of the three value systems.

Figure 2 briefly describes the propagated managerial values.

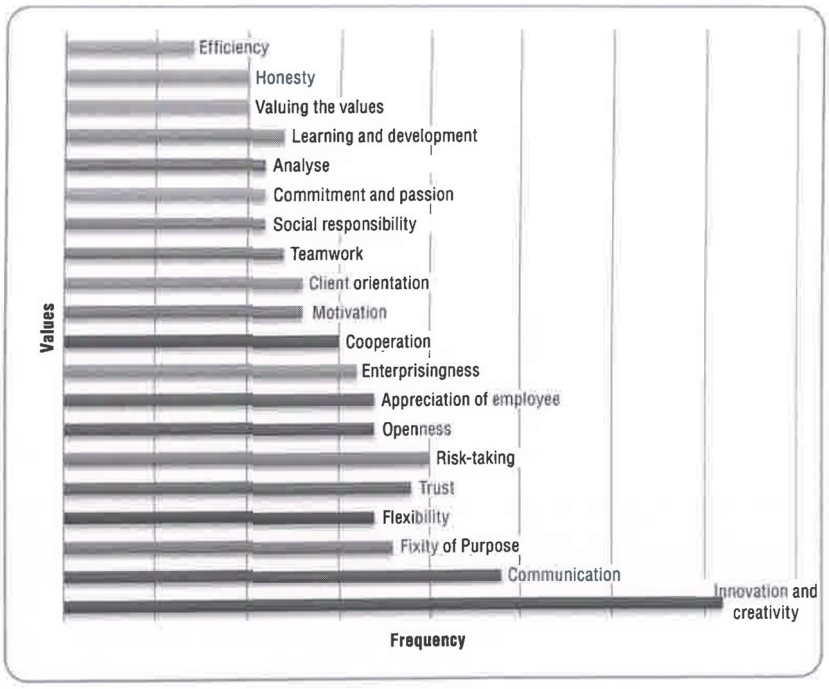

Figure 2: Organizational values and their rate of occurrence on the basis of Director 2011 articles.

Analysis of the results (Figure 2) found that enterprise managers value "innovation and creativity" the most (the rate of occurrence was more than twice the average). If we add the related values such as "risk-taking", "flexibility", "enterprisingness" and "learning and development" (without their co-effect we are unlikely to point out the implementation of the creativity principle), the "innovation and creativity" related group is in overwhelming majority over other managerial values. It is surprising that while in the 2007-2009 dynamics (in the so-called period of economic crisis breaking out and growing deeper) the values connected with "cooperation" became less important for the managers (Virovere et al., 2011), the current research shows that the collectivism related values such as "cooperation" and "teamwork" are important. The "social responsibility", "trust", "communication", "commitment and passion" values imply that cooperation is a need to feel a so-called part of the whole, either of society or an organization.

Looking at all the collectivism related values together, we can conclude that by 2011 the propagated value judgments had reached the hierarchy of core values of the model presented by E.F. Schumacher in "Ethical Work-Design". "Creativeness" and the related values are in the highest position, "teamwork" and the related values take second position, and the production function associated "efficiency" (see Figure 3) is in final position. Moreover, development of such a hierarchy of managerial values was expected: it is logical to expect that during hard times organizations dare to take risks, are able to be more creative, flexible,

and sustainable because it is easier to do with a well working, friendly and trustworthy team.

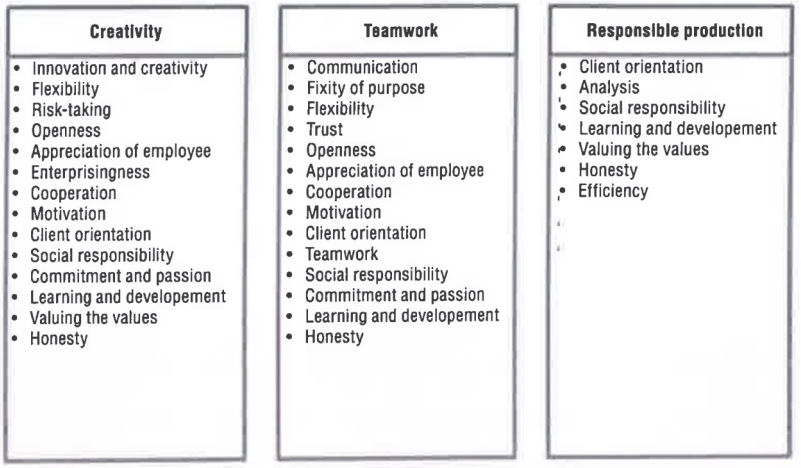

Figure 3: Schumacher versus Estonian management values

In classifying the values, we assessed the values found on the basis of the articles and compared them to the Beck and Gowan's descriptions of value levels. The values are missing at the lowest level where the management style is like in a family; employees are taken care by a good leader, who upholds traditional ways and people are most motivated by respecting powerful persons (see Figure 4). Also, values that would imply an autocratic management style in an organization were absent. This result is opposite to the description of Estonian organizations' management, specifying the situations where the person in charge tells employees what to do and people are most motivated by looking good in front of their boss and getting rewards or respect.

Client orientation (13) and efficiency (7) imply that everyone follows the rules that are laid down fairly to maintain order and people are motivated and have an opportunity to perform their duty with sacrifice and honor (see Figure 4).

The most frequent values are connected to the management style in which a supportive team of equals developing their human potential and people are most motivated by participation and affiliation in a group. Consequently, we positioned these seven values at the green level (relativistic) according to the spiral dynamics system theory. In six values, we found that these are related to the management style where enterprising and innovative behavior is rewarded and people are motivated by the opportunity for success and progress (multiplistic). The authors assume that values such as flexibility, enterprisingness, commitment and passion are related to the management style as a competency-based network where methods are adapted to the task in hand and people are most motivated to work as one chooses (systemic). Only one value was positioned at the holistic or the highest level according to the spiral dynamics theory. This level is characterized by the management style of taking a global or worldwide view, blending insights from everywhere for the good of the whole. People at this level are most moti-

vated by being part of a global network seeking universal solutions to universal problems. Social responsibility of the value found on 11 occasions among the values in the Estonian management journal implies awareness of engaging with the energy field of the whole system in organizational management.

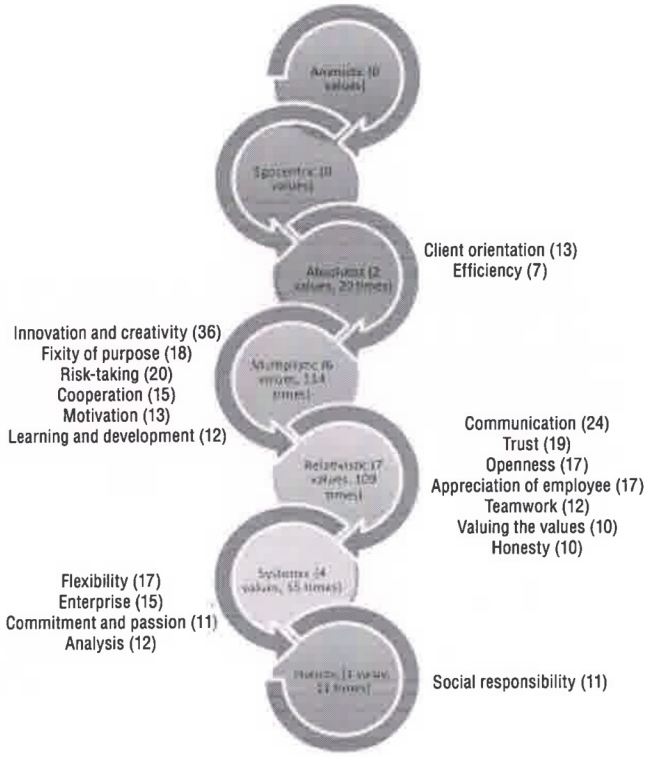

Figure 4: Beck and Cowan versus Estonian management values

Regarding the results, the shortage of values with a low rate occurrence (less than 7) or absent values is also significant. Although the values propagated in the management literature are rather high level, some values are missing. Without those, organization and management practices cannot be called either effective or sustainable in terms of contemporary management. For example, ethics was encountered on only four occasions, humbleness on one occasion, while effectiveness was nonexistent. Efficiency was represented on seven occasions, but based, for example, on definitions by Davies and Davies (2011) (effectiveness – doing the right things, efficiency – doing things right) it is quite pointless to do wrong things right (i.e., efficiently). According to them, it is not possible to apply true value management when the prime value is not commitment (commitment was among the values found in the articles but was far from most important). Although humbleness

occurred only on one occasion, it is particularly important as a management value as well as a management competence. Humbleness is the ability to understand your own limits, learn from your mistakes and staying calm and humble even at the movements of success. With this competence, managers openly confess the meaning of others for their success and treat people with fairness and respect (Sydänmaanlakka, 2003).

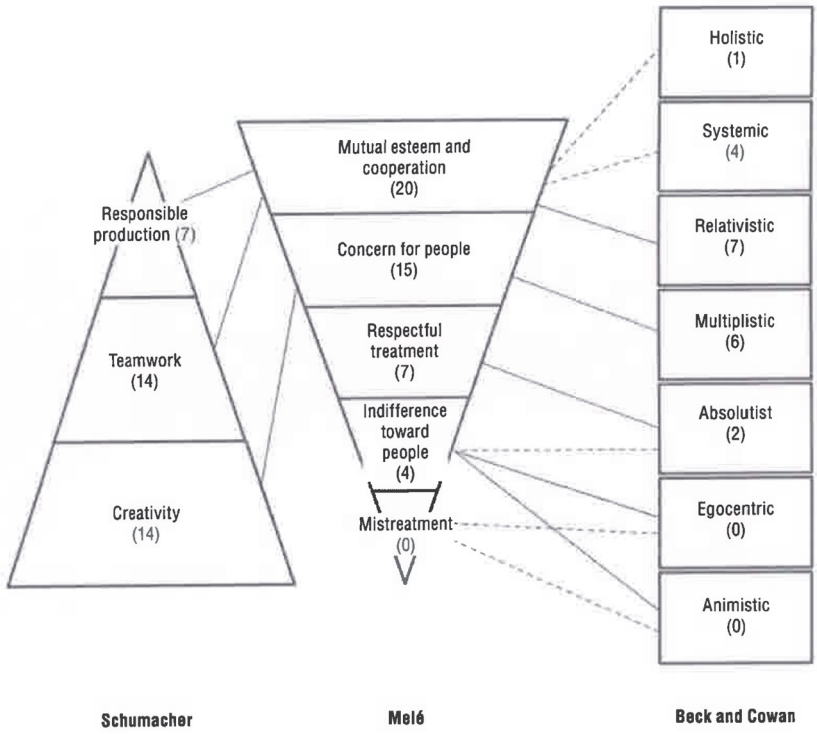

Figure 5: Connection between Schumacher's, Melé's and Beck and Cowan's value system models with the number of managerial values propagated in Estonia (in brackets).

Based on the results of grouping the values into the three value systems (Figure 5), a positive result is that values at clearly negative levels in the context of contemporary management (Mistreatment (Melé) and Egocentric and Animistic (Beck and Cowan)) are negligible. A result of the grouping of all values into the value systems was a clear concentration of values to the so-called good average level, although implying that management development is supported in the right direction, it is not yet sufficiently a conscious activity and outdated management principles are slow to disappear. But considering that these are propagated values that may not coincide with the management practices it may be concluded that managers in Estonia need to work hard to reach the desired level also in reality.

Conclusions

This paper is based on the comprehension that corporate values are not only powerful drivers of individual and organizational performance, but are also the criteria by which decisions about priorities are made. Resulting from the analysis of the three value systems (to assess the place of managerial values propagated in Estonia in these systems) we reached a conclusion that in terms of propagated values Estonia has acquired higher levels of value systems. At the same time, studies of the Estonian management sector have demonstrated that in reality the Estonian organizations are at a much lower level in their management practices based on the models discussed above (Melé, Schumacher and Beck and Cowan). They have mostly short-term financial goals and although the organizations are very different, the management practices are similar. Insufficient attention is focused on employee development and different modern management methods are not used. Traditional work forms are mainly used in work organization.

Hence, there is a gap between real and propagated value systems. It may be concluded that the propagated managerial values express the desirable work environment for the managers rather than the existing one. This shows that in the contemporary rapidly developing economic environment an organization is unable to be successful and sustainable without using all of the creative potentials of the employees. A study by Virovere et al. (2011) demonstrated that during crises fewer employee-friendly managerial values come to the fore; the current research showed that a crisis may not necessarily have a negative effect on the development of managerial values. The managers who managed to survive feel a greater need for cooperation, teamwork and more innovative work environment.

Limitations and Future Research

The values identified on the basis of the journal articles are not used in Estonian organizations, but rather express the trends propagated in management. Although the articles also contained case descriptions, they often show the situation better than it actually is. Data for this research came from articles expressing desired reality rather than real situation.

Finding and grouping values is subjective and largely dependent on experts, but hopefully the consensus analysis helped reduce the subjectivity.

The articles which the analysis was based on may not be sufficiently representative of management styles since editors of the journal and authors selected the journal articles. At the same time, the topics and content of the articles are also decided by managers' expectations, experiences and needs, and global management trends. Due to the large amount of articles, this in turn increases the likelihood that the research results reveal the actual trend.

We omitted some negative values with a minimal rate of occurrence compared to positive values (very low occurrence) from the analysis of research results. Based on the principle that although negative values occurred in the articles, the content of the article clearly inclined the reader to admit that neither the manager nor the organization would benefit from using this value, thus, that negative value is not among the propagated values.

Research on management values based only on articles published in the journal may not be sufficient to draw generalizations on all trends in management practices. Therefore, in this paper we used a management study by EAS for comparison. To acquire applied results, a study of management practices in organizations would be necessary and to acquire better results and verify the results another study of effective management practices and management objectives in organizations is necessary.

To learn about an organization's actual micro climate and system of relations research should be continued using conflict as a tool for measuring ethics at the workplace, and on the basis of that develop methods for organizations for adopting higher values.

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Appendix 3.

Research paper III

Virovere, A., Titov, E., Kuimet, K., & Meel, M. (2013). Propagated and Real Values in Estonian Organisations According to Conflict Analysis. In G. Prause, U. Venesaar & W. Kersten (Eds.), *International Business – Baltic Business Development* (pp. 107 – 124), Frankfurt am Main: Peter Lang GmbH. (ETIS 3.1)

PROPAGATED AND REAL VALUES IN ESTONIAN ORGANISATIONS ACCORDING TO CONFLICT MANAGEMENT ANALYSIS

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ABSTRACT

The main indicator to continuous organisational success is sustainability, whereas sustainability of an organisation is directly connected to the shared values of it. Authors suggest three groups of organisational values: described, propagated and shared or real values. Most talk in organisations is about propagated values but the important question is whether the propagated and real values of an organisation match. Otherwise the culture and the actions of the organisation are not in harmony with each other. The main aim of the article is to demonstrate the differences between propagated and real values in Estonian organisations. The authors point out the possibility to use conflict analyses for estimating, which are the real (shared) values of organisation. As the investigation methods case study (case-analyses) and critical discourse analyses are used.

In the ideal, propagated and real values ought to coincide, but the results of our research demonstrate that while propagated values in Estonian organisations are on higher levels of value systems, then the real values are usually placed on the lower level.

One of the results of the study is that Estonian managers know and speak about values that are important for remaining/becoming sustainable, but in real life they do not follow these values. The results of our research confirm the need for a change in this field.

Key words: Values, organisational values, described values, propagated values, real (shared) values; value systems, conflict management.

INTRODUCTION

The command-and-control approach to management has become less and less viable in recent years. Globalisation, new technologies and changes in how companies create value and interact with customers have sharply reduced the efficacy of a purely directive, top-down model of leadership (Groysberg and Slind, 2012). Still the old managerial methods and paradigms are hard to disappear and in reality the development of value-centred way of thinking is slow. Lencioni (2012) said that there are two parts to the equation of organisational success, being smart and being healthy. According to Lencioni (2012), on the smart side of the equation are the elements of strategy, marketing, finance and technology. On the healthy side of the equation are minimal politics, minimal confusion, high productivity and low turnover. Business leaders mostly focus on the smart side of the equation, and just don't pay much attention to the healthy side (Lencioni, 2012). At the same time no common

understanding about the definition of "good management" that also considers the principles of "being healthy" is present. Melé says that an essential part of "good management" is ethics and considering the manager's action and its dynamism, that is, the effects of such action and the subsequent consequences for future actions". (Melé, 2012a). In order to lead the organisation to success with smaller amount of rules, policies and with greater flexibility more attention should be paid to the organisational values.

Authors suggest three groups of organisational values: described (which exist only formally), propagated (which managers regard to be right) and shared or real values (which are factually used in managerial practise). Described values are the least option for an organisation to deal with values. Usually it only means naming the values. Propagated values are the values that managers regard to be right; real values are those that the managers factually use in their managerial practice, decision-making and conflict management.

One important guideline for developing good management is given in the literature about organisational values. In general it carries two approaches – philosophical and anecdotal – and in both cases managing values has been tied to the success of the organisation (Buchko, 2007). The companies that are classified as high performers are assumed to have a strong value-driven culture and their core values guide the decisions and actions of organisational members (Ofori and Sokro, 2010). And again the most important part in value management lies among the managers. For example Collins presents a five-level managerial classification (Collins, 2000. 2011) where the highest, fifth level is characterised by following they share core values, they don't need to be tightly managed, they understand that they do not have a job - they have responsibilities and they do what they say and they will do it 100 percent of the time.

An organisation's value system reflects the patterns of conflict and compatibility among values, not the relative importance among values. Hocker and Wilmont (1995) defined a conflict emphasising the independence of parties involved – a conflict is a communication process between two individuals who are dependent on each other and both sense mutually discrepant goals and intrusion into reaching their goals (Likert, 1976). "The strategies and principles used by a society and all its organisations for dealing with disagreements and conflict reflect the basic values and philosophy of the society" (Likert, 1976).

Often in organisations the values are described and an effort made to propagate them to the employees and integrate in everyday actions. A more complex question remains how to evaluate if the desired values have imprinted themselves in the organisation. One way of evaluating if values have been imprinted is through conflict management practices. The analysis of conflict management demonstrates which the real values in an organisation are.

Previous conflict researches in Estonia (Virovere and Rihma, 2008) and abroad (Harigopal, 1995) have presented the most common causes of conflicts due to organisational issues (limited resources and their distribution, interdependency, differences in goals and in viewpoints, managerial mistakes, unclear status and communication problems). While analysing conflicts it is important to determine whether the conflict is solved or unsolved and then we discover which values have been used during the conflict solving and decision

making process. In addition to the main characteristics of conflict three important aspects can also be brought out: conflict is always related to relationships, there are several parties in a conflict and there is a problem or main question that has caused the conflict (Virovere and Rihma, 2008).

The main aim of the article is to demonstrate the differences between propagated and real values in Estonian organisations. Up to now there have been many investigations about organisational values, and from the other hand also investigations about conflict management. But there is a gap in connecting of these two phenomena. The authors of the present paper proceed from the hypothesis that the real (shared) values of an organisation reveal themselves in the behaviour and decisions of the managers and in how they manage conflicts. Therefore through investigation of the conflict-cases we can find out which are the real values in the organisations. For testifying the hypotheses we at first focus on the investigation of the cases of conflict-management in Estonian organisations to find out which are the real values the managers proceed from. As follows, we analyse the values the Estonian managers propagate: these are the values they consider to be right. As by comparing these two groups we can find out how essential is the gap between real and propagated values in our organisations. We believe that such an investigation makes it possible to create development-systems for the organisations to minimize the gap between propagated and real values and to harmonize the management of organisations.

2. Theoretical Framework

2.1. Conflict as a research tool for revealing organisation's general status and values

A comprehensive review of the conflict literature yielded this consensus definition: conflict is a process in which one party perceives that its interests are being opposed or negatively affected by another party. (Wall and Callister, 1995) Deutsch (1973, 1980) proposed that individual values affect everyone's expectations, interactions and outcomes as they deal with conflict. Conflict as a research tool is a very informative phenomenon for revealing an organisation`s general status. A conflict is the result of a closer leading to a contact stimulus and a reciprocal stimulus, which is perceived as a threat for the respective security or identity (Cappellin, 2011).

Usually people don´t believe that conflict might be a good thing. According to Lencioni (2012) arguing and discussing issues (solving a conflict) tend to form stronger and healthier teams. The conflict management is a major function of every organisation, including business firms and governmental agencies. (Likert, 1976) Conflict solving style is directly linked to the microclimate of an organisation. (Volkema and Bergman, 1995)

Conflicts are a way of confronting reality and create new solutions through problems and conflict is necessary for true involvement, empowerment and democracy. Through debating different perspectives, people voice their concerns and create solutions responsive to several points of view. Conflict provides an opportunity to form and express our needs, opinions and

positions. (de Dreu and de Vliert, 1997) A well-managed conflict is an investment for the future. People trust each other more, feel more powerful and efficient, and believe their joint efforts will pay off. Feeling more able and united, people are more prepared to contribute to their groups and organisations. Success in turn further strengthens relationships and individuality. (Tjosvold, 1997) The consequences of positive conflict – strong relationships, productivity and individuality – have to be managed. (de Dreu & de Vliert 1997) Through conflict management we can find out what is the organisation's culture, values and microclimate. Inappropriately managed conflicts at the organisational and individual level have resulted in dysfunctional consequences for both, while effectively managed conflicts have contributed to mutual survival, growth and well-being (Harigopal, 1995). The essential elements of each conflict and methods of resolving them reveal a lot about organisational culture, workplace relations end ethics.

The conflict study carried out in EBS (Estonian Business School) shows that many conflicts in Estonian´s organisations have been left unsolved or have been solved by using power over the employees and they have often left the company. (Virovere and Liigand, 2002) As we want to evaluate organisations at the level of competitiveness, ethics and success originated from theories of intellectual capital (Roos et al., 1997), internal marketing (Ballantine and Christopher, 1995) and business ethics (Chryssides and Kaler, 1996), the success and goal achievement of an organisation depends on how the people inside the organisation are treated. Conflict management strategies show vividly how employees are treated in the organisation and thereby it is possible to demonstrate the values that the organisation exploits. Values and value-driven leadership have received a lot of attention in the last decade. Companies are defining their values in the same way as individuals are seeking theirs (Sydänmaanlakka, 2007)

The appearance of certain type conflicts in an organisation depends on people's beliefs and values. While solving the conflicts managers' real values become essential. Constructive conflicts are connected to organisation's development. Failure tolerance and giving the employee an opportunity to learn from mistakes has been found to be a building block of organisational innovativeness. (Jaakson et al, 2011) Also constructive conflict handling and free expression of opinions is positively related to innovation (Leavy, 2005, Bhates and Khasawneh, 2005, Dobny, 2008).

In the case of constructive conflicts it can be seen that while solving the conflict all parties' interests, needs and values have been taken into consideration. Sydänmaanlakka introduces principles of ethical leadership, which provide a foundation for the development of sound ethical leadership. According to these principles ethical leaders respect others, serve others, are just, are honest and build community. To be an ethical leader, we must be sensitive to the needs of others, treat others in ways that are just and care for others (Sydänmaanlakka, 2003). In Mele´s opinion the willingness of managers to serve others with a sense of selflessness, and even self-sacrifice is important. This requires concern for other people, helping them to achieve worthy objectives. (Melé, 2012a).

Conflicts are an important source for new solution and they should not be suppressed, even though they are emotionally difficult. Bringing conflicts upfront assumes trust and trust is also at the core of employee participation (Bhates and Khasawneh, 2005)

2.2. Values in organisations

The word "values" is used often but its unanimous definition is difficult. The concept of organisational values has no single and widely accepted definition (Ofori and Sokro, 2010). Values can be observed at different levels (individual, organisational and group values), they can be differentiated by the degree and place of exposure (Schein 2004, Gini 2004, Lencioni, 2012), scope (Rokeach, 1973) and other characteristics. Even more complexity to value research is added by using words as "principles", "beliefs" etc as synonyms to "values". (Ofori and Sokro 2010, O´Reilly 1989, Debrah and Quick, 2006). The confusion continues until agreement about common instruments and concepts will been reached (Connor and Becker (1994). Extensions as – exposed values, shared values, core values, stated values etc – are also widely used while describing organisational values.

Although there is a lot of confusion using the concept of values common understanding has been reached in some aspects - the values cannot be seen or heard and can only be observed in how they manifest themselves through attitudes, preferences, decision making, and other behaviour. If values are not passed on they cease to exist, values have to be kept constant. (Schein, 2004; Rokeach, 1973; Edvardsson et al. 2006).

Different values that are hierarchically bound create a value system. There are several value systems, most known of them probably the Schumacher´s model of organisation as a value system, Melé´s model of five levels of human quality, and Beck´s and Cowan´s eight-value system. A value system is frequently understood as the ordering and prioritisation of a set of values (principles, standards or qualities considered worthwhile or desirable) that an actor or a society of actors holds. However, the values that a group or an actor holds may fall into several different categories since the concept of values is multifaceted (Abreu and Camarinha-Matos 2008). Every employee brings into the organisation his/her own values. These values give the organisation its „face", which develops when individual value systems coincide sufficiently and have a common understanding to smooth the difference. Usually, in this way a small number of interrelated shared values develop instead of one particular value. These values form the organisation's value system. None of these value systems is internally better or worse than any other.

The existing distribution of values / systems are not uniquely related to the levels of awareness within its organisation values. According to previous studies and results, for this research, organisational values are divided into three groups – described, propagated and shared (real) values (figure 1) – that are mutually hierarchically bound. Described values are the least option for an organisation to deal with values. Usually it only means naming the values without concentrating on their propagation to the employees or implementing them in everyday practices. Propagated values is the second level where trying to communicate described values to the employees or using them in everyday actions are present. The third and highest level of values is shared values. In that case describing values and propagating

them to the employees has been successful – values are used in real work and decision-making processes. In every organisation only those values are accepted that are exploited by management.

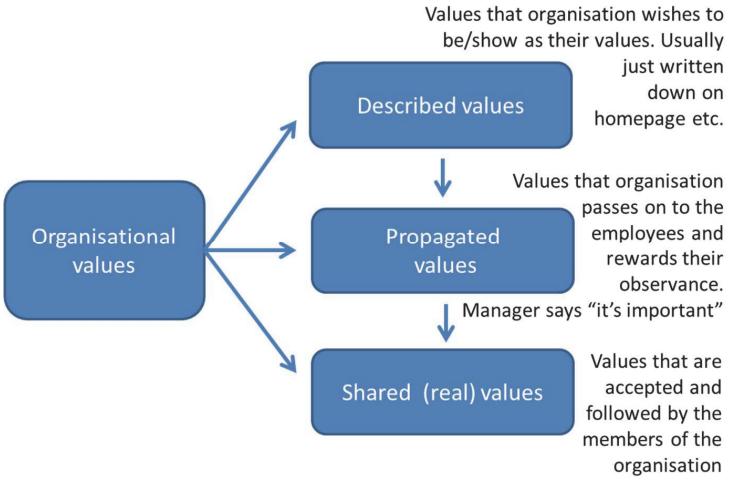

Figure 1. Simplified hierarchy of organisational values. Source: compiled by the authors.

It is possible and necessary to manage organisational values and strong culture and inner agreement on the values guarantee the success of the organisation (Martin and Frost, 1999). An important role in managing values lies on the management of the organisation because values are means of influencing behaviours without the need to resort to formal structures, systems, strategies, or control mechanisms (Viinamäki, 2012). Leaders should create a clear definition of organisational sustainability values, which is consistently communicated and reinforced throughout the organisation. It is also the tasks of managers to guarantee that the values are in harmony with each other (Driscoll and Hoffmann, 2000) and also with the organisation's mission, vision and strategy (Jaakson, 2010). Variance in values is one of the sources of conflicts. Value congruence exists when there is no conflict between the various elements in a value system. Value congruence predictably produces positive outcomes and affect that will result when an individual's values are congruent with those of other persons or entities (e.g. a supervisor or an organisation). (Klenke, 2005)

In the context of value systems it can not be said that the value is good or bad, it is very difficult to give an estimation of whether the values of the organisation are useful or not. In this study the Mele's Value System is used to compare the described and real values of the organisations. From its very beginning organisations and their managers has been focusing on people to improve the efficiency, trying to achieve goals using minimal resources, "treating" employees as values for their selves", and achieving the effectiveness and sustainability are the phenomena that accompany the first value (Melé, 2012b, Schumacher, 1973). Melé divides organisations into five groups according to the attitude towards people in them. In

management, five levels of human quality in dealing with people can be distinguished: (1) mistreatment, (2) indifference toward people, (3) respectful treatment, (4) concern for people`s interests, and (5) favouring mutual esteem and cooperation (Melé, 2012a). Each level is characterised by certain values following of which characterises the quality of management.

Mistreatment of people is the lowest level of human quality in dealing with people. All of these behaviours violate basic human rights and are, therefore, blatant injustice, contrary to the respect due to human dignity and to the Golden Rule (Melé 2012a). When people are mistreated in an organisation their motivation to work declines essentially and therefore also the organisation's sustainability sinks. Also many ethical conflicts occur at that level. The analysis of conflicts in Estonian companies showed that among ethical rights the employees` right to participation and right to job satisfaction were violated most frequently (Virovere et al. 2002).

On the second level of treatment there is no external mistreatment, but people do not receive any encouragement, emotional support, consideration or recognition. People are used for achieving economic goals, maybe employing some psychological technique to obtain more profitability from them, but without any consideration beyond this utilitarian goal. Many conflicts and discontent of employees may occur at this level. (Mele, 2012a).

The third level is characterised by justice – give to each what is due, including respect and the promotion of human rights. From the management point of view, this level lacks shared vision and common shared values. Frequent conflicts also occur at this level, however, caused rather by lack of mutual understanding. (Mele, 2012a) The study of conflicts in different companies in Estonia has showed that both managers and employees lack emotional competence based on emotional intelligence (Virovere et al. 2002).

The fourth level expresses acting toward people not only with recognition and respect, but also showing concern for their interests and compassion for their problems (Melé, 2012a). The level describes wide-spread understanding of excellent management; however, although attention is given to the employees in such organisation, social responsibility is not sufficiently prioritised. However, while taking care of each employee's well-being and interests, one must not forget the common goals and sustainability of the organisation.

On the fifth level of human quality concern is not limited to justice and care, but to pro-actively promoting a high consideration of the person and concern for personal development, mutual esteem among people, and a willingness for cooperation and service toward the common good. This level corresponds to the Values-Based View of Strategy in O`Reilly' (2000) approach, meaning that the ability to execute strategy depends on an organisation`s ability to attract and retain great people and, more important, to use their knowledge, wisdom, and insights. At this level a willingness of cooperation and service toward the common good are revealed. Merrill (2008) argues that collective knowledge is fundamental for innovation. A new product portfolio must include a number of long-term and potentially major innovations in order for an organisation to have a healthy future.

3. Research Design

For discovering the propagated values we used articles published in a leading Estonian managerial magazine „Director“ (year 2011). For detecting the real values we used cases of conflict management. Conflict management refers to how organization members deal with the conflict situation.

Based on the results of a study by EAS and professional practice reports (EAS 2011, Titov, Kuimet, Meel (forthcoming)) it can be seen that so-called higher values are not used by Estonian organisations. The higher values are values which are described in the top of the value hierarchies (systems). The main aim of the article was to demonstrate the differences between propagated and real values in Estonian organisations according to Mele's values system (hierarchy). To investigate either of these value groups we had to use different research methods. To discover the real values we chose conflict analysis as the research tool, because conflict is very informative - in the conflict resolution process the appearing behaviours and strategies demonstrate the values and principles present in the organisation and that allows us to see the status of the organisation in general. The basis for gathering data included student papers that described real conflict situations in specific organisations. The choice was made from analyses of conflict situations written in 2011. The students had to describe a conflict that took place in a specific organisation, analyse the cause, type and resolution (or unsettlement) of the conflict. The sample constituted of 39 TUT (Tallinn University of Technology) and 21 EBS (Estonian Business School) student papers. While analysing the cases we paid attention to the issue of resolution of the conflict. We anticipated that successful resolution of conflicts necessitates behaviours and solutions that are connected to so-called higher values like mutual esteem and cooperation, concern for people, respectful treatment and indifference toward people. Altogether 60 conflict descriptions were analysed. According to the size of organisations that were the base for the conflict descriptions the sample divided into three groups – small enterprises (24), medium size enterprises (9) and large enterprises (27). In 15 organisations horizontal and in 45 organisations vertical conflicts took place. To reduce subjectivity at least two members of our research group read each conflict analysis. Based on the conflict we discovered the values that caused the conflict and also those values that were used in resolving or not resolving the conflict.

For discovering propagated values we used critical discourse analysis frequently used for qualitative studies (look for ex. Laherand 2008 or Fairclough 2001 or Lauristin 2000): as the documents for our study we used above-mentioned magazine articles. To ensure validity and reliability of the investigation, similarly to real values finding process, we used researcher triangulation proposed by Creswell (2003): two of us read independently each article and wrote down the values that the article carried. Next the discovered values were analysed. Values in the article that we agreed upon us were added to the database. If different values appeared, the third of us read the article by oneself. If her opinion was the same as either of the others, those values were added to the database; if not, the values were deleted. In 2011, there were 21 articles that revealed no clear values. The values added in the database were analysed and similar ones were gathered together. If necessary, the same articles were re-read to make sure that similarly named values would represent values with the same meaning. One

hundred and fifty four articles in 2011 issues were read and 514 values were written down. The values were then grouped and a common denominator was found for essentially the same values (e.g. communication skill, communicativeness, communication etc were grouped as one value: communication).

After the ascertaining the real and propagated values, was determined on which Melé's level (mutual esteem and cooperation, concern for people, respectful treatment, indifference toward people, mistreatment) those values were positioned. Melé has used 10 principles in the areas of human rights, labour, the environment and anti-corruption (principles of the UN Global Compact) (Melé, 2012:a) while describing his levels. To guarantee better compliance the authors of this article used the same principle descriptions while placing the values on Melé's levels.

4. Results

Depending on the type of conflict two types appeared most frequently – conflicts due to communication mistakes and due to goal differences. In spite of dominant economic environment only one-limited resources conflict appeared among 60 analysed conflicts. No direct connection was found between the type of the conflict and the value level defined by values used in solving the conflict - irrespective of conflict type different values were used in solving the conflict. Also no connection was found between the size of the organisation under research (where the conflict took place) and value level.

Figure 2 presents the number of propagated values and real values on the levels of Melé value system. If the propagated values rather represent higher levels of Melé's classification then reality is more focused on lower level values. Still, extremes have not been met in either case – propagated values cannot be found on the lowest level (level 1 that is described by mistreatment) and based on the real values organisations have not reached the highest level (level 5 that is described by mutual esteem and cooperation). On the opposite side the other extremes have been met – in the case of real values unfortunately the lowest level i.e. mistreatment has appeared significantly and in the case of propagated values enough values can be pointed out that show the highest level i.e. mutual esteem and cooperation. As Melé's system describes growth towards ethics then based on that we can say that the managers of Estonian organisations know which the right values are but they have not been accepted/imprinted in the organisations.

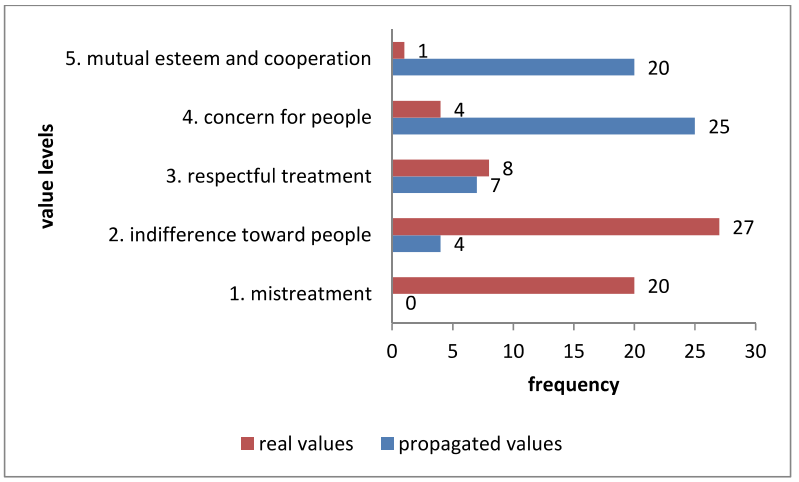

Figure 2. The propagated and real values according to Melé´s value system. Source: compiled by the authors.

Table 1 shows which values have been used to describe the levels of Melé in both studies. Although Melé does not use values while describing the value system levels the results of the current study enable to show each level by describing specific values. Although the goal of the propagated and real values research was not to find specific values that comply with certain Melé's levels a preliminary list of values still has been developed due to the methods of research (to find values that describe certain situations). According to the goal of this research it can be seen that while the number of values that describe different levels is totally different among the propagated and real values (except 3rd level) then values that were used to describe one or another level partly overlap. For example in both studies values like – cooperation, valuing the values (meaning that the presence and acceptance of both individual and organisational values by everyone is important) – were used to describe the 4th level. In the case of the 3rd level "honesty" has the same meaning by words but also "goal-orientation" and "shared goals" refer to similar values.

Table 1. The examples of found propagated and real values describing the Melé´s value system. Source: compiled by the authors

Levels of Melé´s values	propagated values	real values
5. mutual esteem and cooperation	innovation and creativity, flexibility, commitment, courage, teamwork, passion	support, trust
4. concern for people	social responsibility, valuing the values, trust, motivation, openness, cooperation, entrepreneurship	valuing the values, good microclimate, cooperation, friendliness, helpfulness
3. respectful treatment	honesty, communication, goal-orientation	competency, honesty, quality, environment, shared goals

2. indifference toward people	analysing skills, no learning, lack of client orientation, efficiency, routine	lack of cooperation, no shared values, client-conflicts, employee as a resource, no common goals, demotivation, profit-orientation, irresponsibility
1. mistreatment		immorality, not-valuing the employees, hurrying, domination, fear, power, bribery

In the case of each conflict we determined if it was a vertical or horizontal conflict. We expected that a vertical conflict would be directly linked to management thereby demonstrating management quality. Out of 60 conflict cases 43 were vertical conflicts. This clearly demonstrates shortcomings in the quality of management.

5. Discussion and Conclusion

The changed nature of business environment has brought along the rising importance of people as creators and thinkers. From the point of view of organisations it becomes more important to create an environment that supports teamwork, innovation and development of collective knowledge. Our investigation points out the difference between propagated and real values in Estonian organisations: it lies mostly in the fact that while people-centred values are being propagated then based on real values it can be said that employees are being treated as a resource and the person who does the work is not valued. The same problem has been arisen by several previous Estonian management studies. For example the 2011 Estonian management field research claims that management principles and values are not in harmony with the values of a sustainable organisation, management is authoritarian and employees are not being involved (EAS, 2011). This is confirmed also by a study by Zernand-Vilson and Elenurm (2010) arguing that management practices, such as focusing on employee individuality and personality or self-directed work teams do not appear as growing directions. Estonian Development Fund´s report about the Current Status of Competitiveness of Estonian Economy (Varblane et al. 2008) points out that the business models in use do not develop fast enough, new markets are not pursued and management is quite conservative. Vadi and Türk (2009) show in their 2007 Estonian managers' survey, which the leaders of Estonian organisations often lack managerial competencies and they cannot value or manage innovation.

While in studying propagated values it was clearly seen that teamwork as a value was considered important. But in the conflict analysis the same results did not appear. Based on the conflicts researched we can say that common interest among the group, department and even the organisation is often missing. Also, the understanding of everyone's necessary input while reaching the final goal is missing. The results of the research show that teamwork that is highly valued as a propagated value appears significantly less as a real value. The explanation can be that teamwork is possible in organisations that are (according to Melé's theory) developed into 4th or 5th level. Thus, Estonian organisations have a huge growth area in the field of managerial practices and also value based management. That has also been confirmed by previous studies (EAS, 2011; Übius and Alas, 2010, Zernand-Vilson and Elenurm 2010).

While in the propagated values "cooperation" appeared very often, another possible problem can be that although organisations often declare teamwork as their strength it is not the case in reality – teamwork only applies to work and projects which are done physically at the same time and location but essentially no teamwork or cooperation criteria (interest towards work, synergy, harmony in work process) is met. As a positive result of the study it can be brought out that only a few cases of all cases analysed were placed on Melé's first level. That means that Estonian organisations are hopefully overcoming the entrepreneurial problems of the developing country – manipulation, knowingly bending and not following the law (i.e. violation of laws).

It is also a logical result that propagated values are more ethical in essence than the real ones. That shows accordingly that Estonian managers in general know what important values are. It also may point to a possible problem that managers have learned to give „correct" answers and remain a proper outlook but in reality these values are not being used. It has to be taken into account that implementing values can takes years and as changes in raising and training Estonian managers are only recent the results can appear after many years. Conflict is a good tool for researching real and accepted behaviour because the results present the reality.

Based on the results of the research it can be said that in the case of the organisations under investigation we are not dealing with good management organisations according to Melé's value system levels. While good management is a prerequisite of creation of sustainable organisation we can say that in the year 2011 the real values in Estonian organisations do not support the wish of sustainable organisations and sustainable economy. First and foremost too little attention is paid to creation of positive and strong organisational culture, management lacks following people-centred values in leading people.

In the ideal case propagated and real values ought to coincide but the results of our research demonstrate that while propagated values are on higher levels of Melé's value system i.e. 4th and 5th level then real values are usually placed on the 2nd level of Mele's system. Values reflect management and management quality in an organisation directly. Thereby the results of the studies described in this article support Maaja Vadi and Kulno Türk's notion made after researching Estonian organisations in 2007 that the managers of Estonian organisations lack managerial skills (Vadi and Türk, 2009).

Since in the conflict analysis the biggest number of organisations placed on the 2nd of Melé's value system and in the case of propagated values Estonian organisations are placed on the 4th and 5th level we can say that managers of Estonian companies lack the skills to behave in accordance with propagated values and do not include propagated values in everyday management practices.

What we can conclude from our investigation: Estonian managers know and speak about values that are important for remaining sustainable but in real life they do not follow these values. The results of our research confirm the need for a change in this field.

As it was shown in the theoretical overview up to now there have been many investigations about organisational values, as well as investigations about conflict management. But there

was a gap in connecting these two phenomena which our research aimed to fill. Therefore for the first time through investigation of the conflict-cases the real values in the organisations were found out.

We believe that using a conflict as a tool justified itself. Based on the knowledge gained from this research it would be possible to create training programs for managers and use the knowledge for developing business and management study programs.

Limitations and future research

The authors are aware that the propagated values identified on the basis of the journal articles do not show their utilisation in Estonian organisations, but express rather the trends propagated by management. Although the articles also contained case descriptions, they often show the situation better than it actually is. Data of this research comes from articles that express desired reality rather than real situation. We also understand that regardless of the fact that at least two members of the research group analysed each case study some subjectivity may be present in the evaluations. That is due to the analysers' life experience, knowledge and personal values. Finding and grouping values is inevitably subjective and largely dependent on experts, but hopefully the consensus analysis helped to reduce the subjectivity.

Another possible problem in analysing the propagated values is the issue that the articles, which the analysis was based on, may not be sufficiently representative for management styles since editors of the journal and authors selected the journal articles. At the same time, the topics and content of the articles were decided also by managers' expectations, experiences and needs, and global management trends. Because of the large amount of articles, this in turn increases the likelihood that the research results reveal the actual trend.

Also the gathered conflicts may not be representative enough and the choice of conflict to be described naturally depends on the describer. To minimise that problem the describers were beforehand thoroughly instructed on principles of choosing and describing conflicts. Another problem with gathering conflicts lies in the situation where the describer describes the conflict from his/her point of view. But as there are always several parties involved in a conflict the personal values and notions of the describer can influence the outcome. We omitted from the analysis of the research results some negative values with the minimal rate of occurrence compared to positive values (in general, occurred once only). Based on the principle that although negative values occurred in the articles, the content of the article clearly inclined the reader to admit that neither the manager nor organisation would benefit from using this value, therefore that negative value is not listed among the propagated values.

So further we could look for reasons why propagated and real values differ so much. In next researches it would be interesting also to find out how values are managed in organisations if conscious organisational culture development is practiced; also to investigate how much

Estonian managers know about the benefits and need of values management and what could be the reasons why certain values are propagated but did not follow in reality.

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Appendix 4.

Research paper IV

Titov, E., Kuimet, K., Meel, M. (2013). Post-Recession Values in Estonian Organizations. In G. Prause, U. Venesaar & W. Kersten (Eds.), *International Business – Baltic Business Development* (pp. 93 – 105), Frankfurt am Main: Peter Lang GmbH. (ETIS 3.1)

POST-RECESSION VALUES IN ESTONIAN ORGANISATIONS

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ABSTRACT

Different researchers have proved that sticking to core values is the key issue in an organisation's sustainability. Equally important are the persistence of core values, but also the ability of the leaders to make the employees to follow those values. Nevertheless, all organizations have not realized the importance of organizational values and their role in ensuring the sustainability of the organization. The paper deals with the investigation of the values characterising post-recession (2009-2010) Estonian organisations and with the analysis whether these values support sustainability of the organisations.

The aim of our study is to find out whether the values characterising the Estonian organisations are in accordance with the values predicting the success and sustainability of an organisation. The research method used was qualitative method of data analysis. The paper enables to get information about alternations of organisational values under the conditions of economic crisis. As the main result the profiles of values due to the size and type of Estonian organisations got apparent. One of the main results was that in all types of organisations on the essential place were the human-central values which support the organisational sustainability.

KEY WORDS: core values; economic crisis; organisational values, Estonia

1. INTRODUCTION

Nowadays organisations have the experiences from a whole economic cycle, its impacts and dangers (Arrak, 2010), also about how to connect the core values in the economic cycle to achieve the success. (Drucker, Peters and Waterman, Hultman etc). Generally, managers don't doubt in the importance of corporate values. In the last decades new management theories have been developed, (knowledge management, management by objectives, team-leadership etc.) where the essential place hold values. The most important approach is value-based management, which emphasises the prioritization of organisational values and connecting these with other management activities. Several researchers have investigated the connections between organisational values and the success and sustainability of organisations, confirming the link between innovativeness and success of an organisation (Merrill, 2008) and also between cooperation and sustainability (Melé, 2012). Estonian organizations investigation has led to similar results (Übius et al, 2010; Virovere et al, 2011)

During an economic recession, while most of any country's population fall to lower levels of Maslow's hierarchy of needs (with the primary problems being making a living and an increasing lack of jobs), many fundamentalist claims also rise in regard to managerial values: compared to developed societies, only legal obligations are met, while philanthropic and ethical obligations will be left waiting for better times. Based on the same logic, it can be

assumed that company managers do not have constant moral certainties or values, but they shift and alter them according to the changes of economic conditions: during the good times they tend to behave according to virtues and humanist ideals – showing more care, respect, valuing the employees etc. On the other hand, during the recession employees are fired more easily and managers, especially when communicating with their employees, are stricter, more aggressive, and even autocratic. Only the values that are directly connected to the company's economic success and sustainability are taken into consideration.

Currently the Estonian's general economic figures are improving and there are big expectations towards economic growth and a decrease of unemployment rate. The studies of the economic environment claim that the recovery of economic growth owes itself to an increase of productivity (Luikmel, 2011), while export-oriented organisations fare especially well, due to both the swift economic recovery of major export partners and the elasticity of the labour force's wages, increasing Estonia's competitiveness. (Eesti Konjunktuuriinstituut, 2011). Estonia has exerted itself in the name of a recovering economic environment and the OECD Economic Survey 2011 brings forth Estonia's commendable activity during the financial crisis (OECD, 2011). Nevertheless, the Estonian economy has still plenty of problems that also prevent the development of organisations. The Estonian Institute of Economic Research brings out inflation, unemployment and lack of demand, international competitiveness and qualified labour force as problems (Eesti Konjunktuuriinstituut, 2011). Problems more specifically related to the entrepreneurial level, according to professor Varblane's estimates, are a deficiency of ideas, a necessity to overview and alter current business models, the incapability of entrepreneurs to create intriguing, attractive businesses using their own ideas, a call for diversification of knowledge and the need to integrate or rope in younger generations with new technological proficiencies. (Varblane, 2010). Becoming aware of the listed problems offers also the possibility to better the economy in general.

Based on the viewpoint that looking beyond the crisis, a successful business will want to develop strategic leadership capabilities with a strong foundation in ethics and values (Strack, Caye, Thurner, Haen, 2009) the authors observed the effect of the economic crisis to Estonian organisations and the values those organisations represent.

The aim of current study is to find out whether the values characterising the Estonian organisations are in accordance with the values predicting the success and sustainability of an organisation.

The respective research tasks are as follows:

- to find out the values that have been used by the management of Estonian organisations
- to find out organisations tactics to achieve the sustainability in the period of recession.
- to compare the real values with the patterns of actual practice in the period of recession.
- to ascertain the differences between the real values of different economic sectors and between small and large organisations

The economic crisis was an opportunity to connect the fundamentals of the theory of value and the behaviour of Estonian organizations, linking Estonia's organizations behaviour and values during the crisis. The article gives a brief overview about the importance of organisational values and about their connections to the management activity, describes the collection methodology of empirical evidence about organisational values and specifies the real value models characterising the Estonian organisations differentiating them due to the size and the form of an organisation.

2. Importance of Organisational Values

Managers in global businesses can help their firms to be successful. Important aspect for the sustainability of an organisation is that the core values must support sustainability and organisation's goals. All the visionary companies (companies that survived the economic crisis) had a powerful sense of identity and what they wanted to achieve (Collins and Porras, 2002). Success is not provided by simple values, but core values. A value is defined as an enduring belief, a specific mode of conduct, which is preferable to other modes (Rokeach, 1968). According to Fukuyama (2001), the sustainability of an organisation is directly linked to the question of core values – although we have shared values, they may not yet produce social capital if the values are wrong. Core values are the basic values that everyone in the organisation shares and truly believes in. Once they are embedded in the culture, core values help an organisation ride out difficult times (Evans, 2005). In addition to right values (values that lead towards success and sustainability) in an organisation, another important facet is the stability and longevity of such values, since it takes time for values to firmly root themselves. Looking at the fast development of the Estonian economy and society, the style of leadership by Estonian leaders is largely not deriving from enduring values, but enduring leadership is considered to be important to secure sustainability. Enduring leadership is leadership that outlasts and transcends the individual - it has been shown by research to be a predictor of long-term success (Moon, 2001). A common system of values and integrating such a system with the behaviour of the organisation gives the organisation an identity and a sense of belonging, which is an important factor in achieving the goals of the organisation.

Different researches (Collins et al, 2003) prove that sticking to core values is the key issue in an organisation's sustainability. Wilson and Eilertsen (2010) ascertain that two-thirds of managers were convinced that their actions during the crisis remained aligned with the values and visions of the organisation, despite of high pressure from environment (Wilson et al, 2010). Collins (2003) shows that not all managers let their moral values be shaken by the outside environment. Especially in times of recession, only the companies that did not cross the line beyond their core values, managed to survive (Collins et al, 2003).

With reference to Corporate Ethical Values, Hyman (1990) contends that a positive perception of the values and beliefs of the top management by employees will lead to higher performance outcomes. Bergeron (2007) concludes that individuals perceiving high congruity between an organisation's ethical values and their own, will feel more motivated. Schwepker (2001) suggests that congruity between the values of an employee and their organisation will positively influence the employee's performance. (Sharma et al, 2009). Values can serve as a great unifying force, providing that both corporate and individual values are reasonably congruent binding people together as they move toward the achievement of organisational objectives. Alternatively, dissonant and conflicting values are generators of stress and friction, which undermine managerial leadership. A key metric of good management, then, is whether clear and consistent values have permeated the organisation. (Klenke, 2005). Deal and Kennedy (1982) associate employees' satisfaction and persistent organisational values, emphasising the managers' job in shaping and enhancing values.

The statement of having the right purposes and values is considered to be important in organisations, but also the leaders ability to make employees follow those values (Haslam, et al, 2010; Whitmire, 2005) and to be a model in following those values (Klenke, 2005). Alas and Tuulik emphasise the importance of managers in strengthening the values and believe that common values can be attained through improved training and improved management practices, and also by having the right leaders for the job (Alas et al, 2004). Employee

orientation as a leaders' first value is also emphasised (Jensen, 2011) to gain a customers' support and profit in a longer run.

Dealing with values at a difficult time gives a more meaningful result. The literature has examined that links exist between the results and values of an organisation and that periods of crisis affect the results of organisations. Changes in the general environment elicit a need to overview previous values and management activities. It is vital to concentrate on finding the right values and deciding on a plan of action supporting organisational success. Actually, according to Maslow's hierarchy, self-realisation and commitment would enable an organisation to cope with changes while remaining innovative and sustainable (Wilson et al, 2010).

Wang (2009) gives a recommendation to connect concrete objectives and values - human resource management performance is associated with partner orientation and harmony; growth potential might be related with global orientation, entrepreneurship, and honesty. Boxx, Odom and Dunn (1991) used Peters and Waterman's seven values of excellence, stated in 1982 (superior quality and service, innovation, importance of people as individuals, importance of details of execution, communication, profit orientation, and goal accomplishment) and analysed their correlation to work satisfaction. According to Maslow's theory, during a time of crisis, concentrating on primary values would be advisable and important

Summing up the theory, there is no doubt that the organisational values play an important role in successful organisational performance and sustainability. Long-term adherence to the organisational values and their connection with the management activities seem to be as important as any other organisational characteristic. Researchers do not quite agree on what the specific values of the organization should be, but in generalized level the basic ethical values and human-oriented value groups are broadly emphasised.

3. Research Design

This research can be classified as critical discourse analysis (detailed description in Laherand 2008 or Fairclough 2002). In a similar way, we use reports, compiled by the students of a management institution for specialized practice. Hirsijärvi (2005) suggests that a data gathering method based on documents, mostly along with other data gathering methods, can be used as an independent method (Flick 2006). In order to determine the effect of the economy on organisations and their values, the authors analysed data derived from 68 reports by management students in practical positions in different organisations. The specialized practices took place in the timeframe of December 2010 – February 2011. The reports are formatted according to a previously formed structure that includes a chapter handling the effect of the economy on an organisation. The compulsory structure also comprised of a chapter handling the strategy, mission, vision and values of an organisation. To ensure validity and reliability of our investigation we used Creswell's (2003) proposed researcher triangulation, which means using different observers to discover or minimise mistakes that come from the researcher's person. Two researchers read independently each report and noted down the values carried by the description. Next, the discovered values were analysed. Values agreed upon were added to the database. Where different values appeared, our third researcher read the report too. If her opinion was the same as either of the two others, those values were added to the database; if not, values were not added.

Since 16 descriptions of organisations did not include, or did not clarify, the values of the organisation, the final selection consists of 68 organisations that related themselves to 187 values. The values were grouped and a common denominator was found for essentially the same ones (e.g. communication skill, communicativeness, communication etc were grouped as the value "communication"). Further analysis was based on the list of values that consists of the value groups.

By size, the surveyed organisations were divided as small (23), medium sized organisations (25) and large organisations, which attributed for 20 of the total number of organisations, by field: public sector organisations (16), manufacture organisations (11) and organisations relating to service (41).

4. Results

The activities of organisations in the years 2009-2010 were most affected by the decreasing demand for products and services and the decrease of the income basis (mentioned in 32 instances). Lowering expenses was achieved, in 19 cases by decreasing staff expenses, also by lay-offs or minimizing working hours (mentioned in 14 instances). In response to changes in economic circumstances, some organizations were able to create new markets and new services (mentioned in 10 instances). In five instances, structural changes were carried out in order to manage changes. Of the studied organisations, four were not affected by the economic crisis and one organisation even gained better opportunities for development.

The most frequently appearing values in the organisations subject to the research were competency and cooperation. By rate of occurrence, values such as development, fairness and friendliness followed

Comparing the represented values by the field of organisations, it became apparent that manufacturing organisations held quality and fairness in high regard. Organisations dealing with service mentioned competency and cooperation to most. In organisations belonging to the public sector, two values – friendliness and competency – were dominant. As important for organisations belonging in the public sector, by rate of occurrence, were social responsibility, ethics, motivation, cooperation and development (figure 1).

Public sector	manufacturing	service
• competency • friendliness • development • cooperation • motivation • ethics • Social responsibility	• quality • goal orientation • development • fairness • client orientation • individuality • cooperation	• competency • cooperation • development • friendliness • fairness

Figure 1. The most frequent values by the field of organisations. Source: compiled by the authors

The results of public sector differ from the results of manufacturing and service sectors on the base of two values: nor in manufacturing neither service organisations were pointed out such values as ethics and social responsibility. Only manufacturing organisations valued the goal orientation. At the same time manufacturing organisations took of high importance quality and client orientation (those values were mentioned also in service organisations, but only few times), according to our results – in public sector cases those values weren´t mentioned.

As a result of this study, it is possible to claim that smaller organisations value cooperation, fairness and quality. Medium sized organisations were dominated by the value of development and cooperation also, while large organisations concentrated on friendliness, followed by cooperation (figure 2).

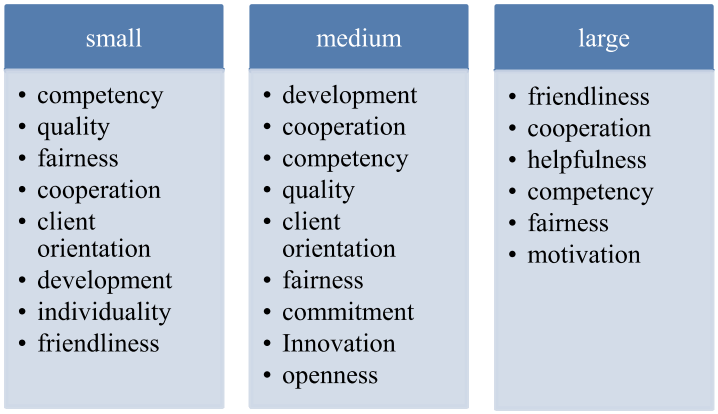

Figure 2. The occurrence of values by size of organisation (under 50 - small, 51- 250 – medium, and over 250 – large organisation). Source: compiled by the authors.

According to the size of organisations the values differed less, only two differences can be brought out – only large-sized organisations took as essential helpfulness and quite surprisingly large-size organisations did not mentioned the significance of quality at all.

The results of this study support the stance that in the case of value-based leadership it has been discussed, that in reality, all organisations are value-driven (Fitzgerald et al, 2004) and also the opinion of Marie J. Kane (2009), who has also described how core values affect performance. Comparing the behaviour of the viewed organisations during the recession and juxtaposing them with the values they represent, it is clear that the organisations that attempted to develop new services or broaden to new markets in a tough economic climate, were most fond of competency, quality, speed, entrepreneurship, courage, orientation towards family, orientation towards development and achieving goals. Somewhat paradoxically, the organisations that mostly utilized cutting expenses, and lay-offs, to adapt to a new economic environment, the apparently popular values were friendliness, cooperation, motivation, support, family orientation, fairness and trust. These organisations which economic indicators were only slightly touched by the crises pursued such values as competency, quality, speed, entrepreneurship, courage, development and goal orientation. (Fig 3). The common feature for the organisations, which in the years of decline had no necessity for the policy of strict saving, was sharing such values as competency, quality, speed etc. At the same time for the organisations, which had to maintain the policy of saving the most frequent values were friendliness, cooperation, motivation, support etc. – that is the employee-centred values.

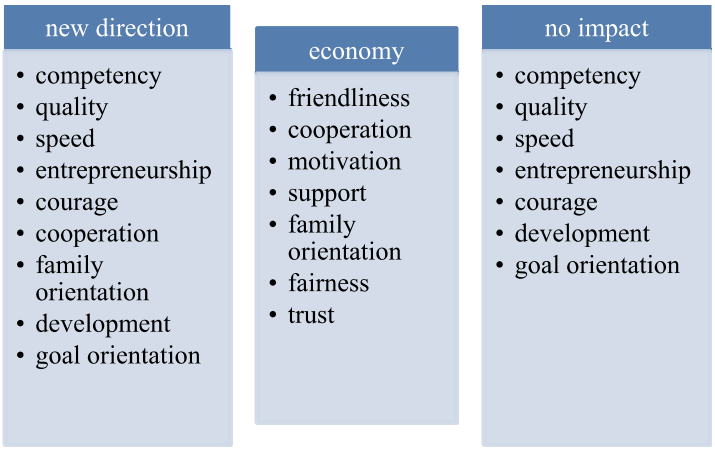

Figure 3. The most frequent values according to organisations´ behaviour during the crisis. Source: compiled by the authors

5. Discussions and Conclusion

In this paper we researched post-recession management values. We started out with the idea that in hard economic conditions, less attention is paid to the ethical values, and economy-based values will take their places. At the same time, several earlier researches made us doubt that. They stated that those companies, whose core values and mission remained constant in long-term plans, survived any crisis better. The research confirms the importance of ethical values such as fairness, friendliness, cooperation, motivation, supportiveness, family-orientation, benevolence, trust, understanding and honesty, as important for securing sustainability. According to that the previous opinions is proved right, meaning that in hard times, economic concerns prevail over ethical and philanthropical.

The results of the study conclude that the organisations are more intent on finding new solutions instead of cutting costs to overcome the crisis. At the same time it points out that organisations intent on opening up to new markets or developing their services in a time of crisis were dominated by values hinting towards entrepreneurial tendencies. The results also indicate the organisations that managed the recession the best respected entrepreneurial values like professionalism, quality, speed, entrepreneurship, proactivity, courage, orientation towards development and achieving goals. Those results can be compared to a study undertaken in Japanese organisations, claiming that value orientation of entrepreneurship might possibly contribute to innovative activities and new value creation in the future, and therefore, affect the long-term performance (Wang, 2009). The difference between the studies lies in the fact that the Estonian organisations, in a time of economic crisis, were more intent on optimizing costs and activities associated with it, rather than developing the organisations, so values directed towards entrepreneurship were not as prevalently present. The authors believe that the lack of entrepreneurial values might also derive from our historical background since the socialist economic climate of the Soviet Union did not support entrepreneurship and proactivity, and inclination towards such values might have even brought along sanctions.

The explicit model of organisational culture and effectiveness, which is based on four cultural traits of effective organisations, says that effective organisations empower people, organize

around teams, and develop human capability (Denison and Mishra, 1998; Denison et al, 2002). In our research the results were opposite – precisely these organisations, which were forced for hard cut of the expenses the main object of cut, were the employee-centred values. Such results could be caused by the common concept of the traditional behaviour in economic crises – saving at any price – so the managers are forced to give up the core values that are common for times of well being. Another researches (Katzenbach 1993, Spreitzer 1995) bring out that employees at all levels feel that they have input into decisions that will affect their work and they see a direct connection to the goals of the organisation – our results confirmed this statement – goal orientation seems to be one of the most important value and supports organisation's sustainability in the times of crises.

A value which many authors have emphasized as ensuring sustainability is client orientation – adaptable organisations are driven by their customers; they take risks and learn from their mistakes, and have capability and experience at creating change (Nadler 1998, Senge 1990). So also due to our investigation the client orientation was one of the most frequent value, although the frequency of its occurring was not large enough for estimating its influence to the behaviour of organisations in the crises. Moorman points out that the most important value is fairness and it should even be one of the core values of the organisations (Moorman et al, 1993). Fairness was the most prevalent value in organisations dealing with manufacture and organisations that were rather small. Comparing our results to Hultman's important values (Hultman et al, 2002), fairness can be mentioned yet again.

The comparison of values and activities in Estonian organisations, dealing with managing the financial crisis, showed that differences between managing to deal with the crisis and expressed values of organisations did exist. The values based on humanity were more popular in Estonian organisations during the period of crisis – values such as fairness, cooperation, friendliness, motivation, support, family-orientation, honesty, trust and understanding. In a central position there is survival, rather than competition, but still more successful managing is related to values such as competency, professionalism, quality, speed, entrepreneurship, courage, orientation towards development and achieving goals.

In conclusion, it can be said that, since sustainability in a society depends on the sustainability of organisations, and studies confirm that values play a vital role in successful managing, then paying attention to the given topic and applying values as instruments for better leadership is inarguably important and worth disserting. It can also be concluded that, although the Estonian organizations behaviour and change of values during the crisis are similar to the general principles of the theory of value, then, depending on the context in Estonia and interpretability of the results in many ways add new aspects for further investigation. Thus, for example, would continue to investigate the relationship between large-scale layoffs and organizational values.

6. Limitations and future research

As always, a qualitative research gives a space for assumptions. Finding and grouping the values is subjective and largely dependent on researchers, but hopefully the consensus analysis we used helped reduce the subjectivity. Research of organisational values based only on some of the reports is clearly not sufficient for making generalizations on all trends in organisational practices. To get applied results a research in management practices in organisations would be necessary and to get better results and verify the results another research on effective management practices and management objectives in organisations will be necessary. To learn about organisation's actual micro climate and system of relations

research should be continued using conflict as a tool for measuring ethics at workplace and on the basis of that work out methods for organisations for adopting higher values.

In the future, a similar study should be conducted in order to find out whether a change in economy results in discernible changes in the core values of organisations.

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Appendix 5.

Research paper V

Titov, E. (2014). From Modernism to Postmodernism – Change of Estonian Managerial Values. *Advances in Education Research,* 53. (ETIS, 3.1)

From Modernism to Postmodernism. Spread of Human-Centered Values and Management in Estonian Organizations

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Keywords: Modernism, Postmodernism, Human-centered Management, Organizational values

Abstract. Slowly but strongly the idea of human-centered management is spreading over the world. Modern managers usually understand the importance of employees in achieving the organization's goals. For at least three to four decades the academicians and practitioners have emphasized that the management values have to be changed. Starting with the changes in the world economy, we are moving from industrial society (modernism) to knowledge-based society (postmodernism). In this article, 36 of Estonian organizations have been analyzed to find out whether the values of human-centered management have reached the companies and whether they are reflected in the management. The author has used qualitative analysis of collected answers (the answers formed case-studies) to bring out the most important management activities supporting the values of human–centered values. The results revealed that postmodern management approach is not commonly spread, but some efforts are made to change the situation. The management tools such as involvement, being an example, teamwork and personal communication were used quite often, but also occasionally.

1. Introduction

Human-centered management is one of the key concepts in modern economy and business management. According to Henson [1], the workforce structure is shifting and now the baby boomers (born in 1971 and later) are providing a new wave of human capital. Mostly belonging to Generation Y, those people are tough-minded realists; they are familiar with technology, talented and eager to develop. For this emerging generation, work-life fit is valued more than compensation growth or skill development. [2]

Once again, the importance of right people doing the right job prevails over the other management principles. Organization-specific human capital is considered an essential intangible resource of an organization, because it is difficult to imitate due to the complexness of the creation of distinctive competences [3]. Valuable human capital relates to the capability to develop a better efficiency of the firm [4]. The human - centered management makes more money - the change towards the new paradigm is the exponential growth in profitability [5].

This perspective asserts that in order to obtain a higher performance of organizations, the abilities, competences and skills of employees have a key role [6], [9]. Also flexible working time, highly mobile workforce, increasing competition for top talent, increasing use of telecommuting possibilities are important challenges for all managers [1]. Not only have the people changed but also the way work gets done has changed dramatically over the last few decades. The change in the management paradigm has been a long time in the making. The new paradigm will change the way managers look at the world, as well as the direction of future improvements in management [5]. Although the signs of changes can be seen in all over the world, there is no clear view how this works and why this works. The shift entails a different way of treating people: a shift from a world in which people are manipulated as things to a world in which people are interacted with as human beings [5]. Only those businesses capable of coping with this change and adapting to it will be able to flourish in the 21st century [7].

Changes in the general environment elicit a need to overview previous values and behaviors. It is vital to concentrate on finding the values and behaviors that support success. In order to affect results, it is necessary to change attitudes and values, since the most difficult decisions always originate from real values [8]. A successful organization builds a widely recognizable culture that values and treats people as primary assets and seeks employee input. [1] Although analysts and researchers have not finally agreed on the factors and indicators of the change, one thing is clear - organizations and managements should react to changes to gain further success.

In this article the author focuses on the organizational level – wishing to find out whether the values of postmodernism as human centered management have reached the Estonian organizations and whether they reflect in the management. The respective research tasks are to map the main characteristics of modern and postmodern management based on management theory; to find out the aspects of modernist and/or postmodernist management behavior used in Estonian organizations based on cases and to describe shortly the management shift in Estonia.

2. Theoretical background

The most important values of modernist management are anchored in our heads as the main principles of management. Starting from taylorism – firm is in business to make money for the shareholders and the "right" way to achieve it is to control employees directly by the manager. Work is organized by rules, plans and reports - bureaucracy is high and normal part of everyday work. Scientific-technical knowledge is competitive advantage and results are measured by efficiency [5], productivity and technical problem solving leading to the accumulation of wealth by production investors and consumption by consumers [11].

Boisot and McKelvey [12] stress on the main difference between postmodernist and modernist management - order-seeking regime of the modernists and the wealth-seeking regime of the postmodernists - between those accounts that minimize degrees of freedom by theorizing and those that take degrees of freedom as they find them. However, most of the researchers have emphasized that postmodernist management is not oriented to making money [5], but to the sustainability of organization [13], [14], [15] although the "wealth-seeking" might be interpreted in many ways.

The worker of the future requires a voice. People want to know what is happening in the organizations they are involved in. Communication gives knowledge of the whole and fosters a sense of belonging [16]. Globalization, new technologies and changes in how companies create value and interact with customers have sharply reduced the efficacy of a purely directive, top-down model of leadership [17]. Still the old managerial methods and paradigms are hard to disappear, processes and behavior have remained the same [2]. In reality the development of value-centered way of thinking is slow – work revolves around "the boss" [5].

Lencioni [18] distinguished the postmodernist and modernist management behavior. He used the metaphor of equation. The equation of organizational success consists of two parts, being smart and being healthy. On the smart side of the equation are the elements of strategy, marketing, finance and technology and it describes the modernistic approach [18]. On the healthy side of the equation are minimal politics, minimal confusion, high productivity and low turnover [18]. Managers mostly focus on the smart side of the equation, and just do not pay much attention to the healthy side [18]. At the same time, there is no common understanding of about the definition of "good management" that would also consider the principles of "being healthy" and using postmodernist approach, can be found. Melé [16] says that an essential part of "good management" is ethics and considering the manager's action and its dynamism, that is, the effects of such action and the subsequent consequences for future actions. In order to lead the organization to success with smaller amount of rules, policies and with greater flexibility, more

attention should be paid to the organizational culture and human work [19]. Dealing with values gives a more meaningful result, human capital adds value to the organization, but it is managers' task to keep employees unique and difficult to replicate or substitute.

Postmodernism raises more questions than gives answers and the complexity of people makes the human-based and value management difficult. The complexity is not well captured by the analytical tools forged by modernist thinking [12] and thus the management needs tools suitable for postmodernist management. Teamwork as one of the main tools (table 1) and principles of postmodernism has been used and misused for a long time. Nowadays the organizations require inclusive growth for enhancing collaborative cooperation between people [20], thus the need for more attention to the human dimension of work is essential, particularly in terms of teamwork and collaboration [5]. In this new world of work team relationships often influence an individual's performance [2]. Table 1 describes briefly the main differences between postmodernism and modernism, considering the aspects affecting directly the everyday management and decision-making process.

Table 1: Main differences between modernism and postmodernism in organizational management

	Modernist approach	Postmodernist approach
Aim	Profit as a target	Sustainability as a target
Focus	Process focused	People focused
Flexibility	Low degree of freedom	High degree of freedom
Development priorities	Weakness -based	Strength - based
Organizational structure	Hierarchical	Networked
Reason to work	External rewards	Intrinsic rewards
Spread of information	Top-down	Bottom -up
Competitive advantage	Facilities, location, financial capital	Talented people
Motivation system	Standardized, salary and benefits	Personalized, joy of work, relations
HRM	HR manager is responsible for HRM	All the managers are responsible for HRM
Development tools	Training courses	Meaningful job, mentoring, supervision
Management tool	Order, requirements	Teamwork, shared values
Treatment	All are equal	Support all, but invest in talents

Source: compiled by the author according to references [2], [9], [12], [21]

Postmodernist approach and its human aspects are emphasized due to the requirement of more flexibility, tacit knowledge and creativity of empowered people [20]. The importance of values such as trust, transparency and sustainability [5] is expected by the different stakeholders and force managers to implement human-based approaches. Continuous learning and development are in the middle of changing organization [6] and help to create new knowledge [22].

3. Research design

For discovering the management paradigm of Estonian organizations the author used the case studies written by actively employed second-year students of management of EUAS (Estonian Entrepreneurship University of Applied Sciences). During the subject of Human Resource Management, the constructs of modernism and postmodernism in management were learnt and students described the conditions of human-centered management within their organizations. The sample constituted of 42 student papers. Altogether 36 descriptions were used as data for this research, 6 descriptions were eliminated due to the problem of insufficient data or not describing the corresponding area. According to the size of the organizations that were the base for the cases

the sample divided into three groups – small enterprises (12), medium size enterprises (9) and large enterprises (15). 26 of the organizations are acting in the service area; seven are public sector institutions and three from production area.

The qualitative analysis was used to find out the aspects from the case studies describing either the postmodernist or modernist behavior. Five categories were applied to distinguish modernistic and postmodernist approach - the importance of people, sharing the responsibilities, factors of motivation, personnel work and competitive advantage. The categories were named according to the theory as the main aspects distinguishing the management approaches.

4. Results and discussion

Described organizations were divided into two dimensionally different groups: as the organizations where every person is valued and prioritized, and the organizations where people are not important at all. The representatives of the first part ask for the employees' opinions, encourage them to develop their skills, involve them in different events and decision-making processes, employees are appreciated and both positive feedback and constructive critics are shared. Also the activities and strategies describing the postmodernist principle that organization cares about their employees were presented. Strategies like "*boss closer to the people*" (activities to enhance communication and better understanding between managers and employees) and "*choose only the right person*" (main principle for hiring new employers) as a part of organizational strategies were mentioned. The second part of cases described the situations where the employees were secondary: "*Manager says that he doesn't care what employee thinks and points out at every meeting that "there is a queue of better employees behind the door, waiting for current workers to leave*" and even abused "*In case of employee disagreement the employer delays the paying out the salary and reimbursements"* and "*employees are forced to work overtime, but they never get extra paid*". In several cases the management behavior which the author names as "illusion of people orientation" was mentioned – everything seems really good in papers and during normal times, but when problems appear, the managers don't let their decisions to be influenced by employees' needs or opinions. From postmodernist side also the leading to the organizational values, paying attention to the details, lot of possibilities for personal development and warm and friendly working environment were named. From modernistic side "*numbers (money) first, then employee*", "*everything goes by law – nothing more or nothing less*" and "*no one knows or cares about the aims of organization*" were mentioned.

The cases collected in big organizations (more than 250 employees) were mostly positive and only few negative aspects were mentioned. However, in several cases the organizational unwillingness to invest into people or even definite avoidance was described. In big organizations they might have money but they are not ready to invest in people; in small organizations even if they want to develop their employees, they usually are not able to make such investments. It is not general knowledge that for keeping and motivating people, big amount of money is not necessary – several tools may help organization to develop stronger human-centered management and through that also the employees' commitment and performance will increase.

The sufficient scope of responsibility and sharing the responsibility are really challenging issues having two important aspects – responsibility is always with power to decide whereas shared responsibility doesn't mean irresponsibility. In general, four different scenarios were described – employers are responsible for everything *("…employee is totally independent and he/she alone is responsible for his/her results"*), no one cares and no one is responsible *("The results are not good and the director of the center is not ready to take responsibility, the level of liberalism is too high and important decisions are not taken"*), depends on results – if there is success, everyone is willing to respond, otherwise none wants to share responsibility as a readiness to be responsible for every part of work done by them and their colleagues *("Everyone is responsible for every part*

of the work done by the team"). Also the managers' lack of ability to share responsibility was mentioned: "*manager has worked here for 25 years and he has fixed habits and he is not ready to delegate*". Similar problems were referred to in the previous study of Estonian management values [10] where cases of conflicts were used as the research instrument.

People are often used as a tool *("Employee is like a money-making machine…"*). The employee development is usually considered adequate by offering several training courses, necessary working equipment and clean working environment *("The only possibility to develop is to participate in training of legislation, which are obligatory for the company";"… usually minimum is offered"*). The managers' ability and eagerness to involve, approve and take care of their employees is much less emphasized. Modernistic approach – all by law, clear requirements, total system of personnel motivation and assessment were stressed. The middle managers were blamed for being too fond of their old behavior and not implementing good initiatives and strategies, emphasized in top-management level *("the Head of Department have been manager for too long - 25 years – and he is degenerated. He is working dully and without delight…").* Also lack of information and involvement on the employee level *("The Board makes all the decisions - despite the others like or not like the decision. Nobody ever asks the employee's opinion, anyway."; "There are plenty of information channels but information is still not moving and nobody cares.*") is clear characteristic of modernistic behavior. Therefore, the aspects in accordance to postmodernist management were highlighted, mentoring *("Mentoring is functioning and it really helps employees to work better.")* and talent orientation *("Talented people are valued in the firm and they are given more complicated tasks"*) were named for several times.

The cases also depict the main motivators. Money prevails over the other factors and the positive and negative results concerning the financial motivation were mentioned. Firstly, salary is the only motivational factor the organization uses *("The employer thinks that high salary is the most important way to motivate and allure employees"; "Higher salary would not only let the eyes of employee sparkle but also allows to work quicker."*) Secondly, additionally to the salary other benefits are provided *("We provide our employees with sporting facilities and during the working hours all the employees have the possibility to enjoy tasty home-made ice-cream or hot drinks as they wish"*). The other advantages are important but in case the salary is really low, the other factors are not taken seriously by employees *("The employee can be the patriot or fan of your company but if he or she has to have one or more extra jobs just for paying taxes and making ends meet - the loyalty disappears."; "Organization offers the employee sporting possibilities but it is actually possible to use the sport facilities in the other end of the city during the working hours.*") Thirdly, the other factors are used and the salary is not a barrier for implementing them *("It is possible for the employees to choose the working place and hours – opportunities of the home-office. This enables parents with young children to work – they enjoy the possibility.")*

The good old theory of Maslow's Hierarchy of Motivation is confirmed again as the money isn't the only motivator but if the salary is too low to cover main living costs then the other factors are not important. Money is essential in postmodernist management, but it creates only short-term motivation. Money shouldn't be the main reason for working and lack of normal salary should not impede commitment, loyalty and high performance of the employees. Fair remuneration is an essential principle of postmodernism. One example about value-based management expresses the employees' ability and willingness to understand the high coherence between the organizational and employee level *("Employees are the base of every company – without them the company is not able to function.")*

According to the cases, working with people means the execution of "classical" tasks of personnel managers. Most of the cases described arrangement of training courses, internal newspapers, the personnel satisfaction surveys, performance appraisals and handling of documentation (*The main*

responsibility of HR department is the employees' adaption to the organization, personnel documentation and the researches of satisfaction and work environment "; "Personnel Manager administers the documents, she/he is responsible for agreements and procedures to be correct and in accordance with law".) HRM as a supportive function for the human-centered management was mentioned indirectly depicting the high level of individual responsibilities, trusts as well as propagation and implementation of values. It is confusing that usual personnel work is still described as something special, although most of those activities are established by law – vacations, normal work environment, 8-hour working time etc. The larger organizations the proper documentation is more important and small organizations are mostly managed by everyday communication, usually verbal.

As a rule, the connection between employing the good workers and competitive advantages has reached the organizations, but there is no clear view about how to use those talented people you already have in the company. Even if the organization is lucky to hire talents, the old-fashioned management scares the newcomers away or using wrong management tools would not let talent to be revealed and applied.

5. Conclusion

The management shift hasn't reached every Estonian organization yet. Still, there are good examples, mainly concerning quite new or international companies where the human-centered management is valued. There are organizations in every step on the two-dimensional scale – from modernism to postmodernism. Several examples clearly described the classical modernistic management behavior – employee is just a tool; money is only resource of motivation; power and position are most important for managers; investments in equipment, but not in people are prioritized; employee development is taken as additional cost, not as an investment. The citation from one case summarizes the thoughts of modernistic managers – "*The owners of the company do not care about the wellbeing of the workers – if and what you eat or drink; if it is good for you to work in the company – this is not important. What is important is that to get the investments back.*" On the other hand, there are also some positive examples of postmodern organizations– employees are valued; teamwork is widely used; employees are involved and their opinion is important. Employees of those organizations value their employers and job performance is high. Therefore the organizations are more successful and can reinvest into the development of human-centered organization.

Despite several good examples, the majority of Estonian organizations and their managers have not adopted the idea of postmodernistic management. For changes in organizations to take effect, the managers' values should also change. It is important to distinguish between real and propagated values because modern generation - current employees - are smart and they understand when managers' words and actions are not in unison. A successful economy is only possible with successful organizations, whereas successful organizations are based on human-centered management and values.

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ELULOOKIRJELDUS

1. Isikuandmed

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2. Hariduskäik

2009 – praeguseni	Tallinna Tehnikaülikool, majandusteaduskond, doktorantuur. Doktoritöö teemaks on juhtimisväärtused.
2006 – 2008	Tartu Ülikool, magistrantuur (lõpetamata)
1997-2001	Tartu Ülikool, bakalaureusekraad juhtimises ja turunduses. Saadud kraad on võrdsustatud magistrikraadiga.
1996 - 1997	Tallinna Kommertskool, ärijuhtimine.

3. Keelteoskus

Keel	Tase
Eesti	Emakeel
Inglise	C1
Vene	B1
Prantsuse	A1

4. Täiendõpe (alates 2008)

- HEInnovation, OECD, Vilniuses, 17-18.06.2014.
- Arendusuuringud, TLÜ, Katrin Niglas, 20 ja 29.05.2014.
- Akadeemiline inglise keel, Lea Klemets, veebruar- mai 2014.
- The Hedgehog Effect: Secrets of Building High Performance Teams. Meistriklass, Manfred Kets de Vries, 09.05.2013.
- Entrepreneurship pedagogy, Alan Gibb, 21.11.2013.
- Entrepreneurship Education, Tampere University of Applied Sciences, Timo Nevalainen, 03-04.12.2013.
- Kvalitatiivsed uurimismeetodid üliõpilastööde juhendajatele, prof. Judit Strömpl, 29-30.11.2012.
- Organisatsioonikultuur, motivatsioon ja väärtused. TÜ, Anne Reino ja Maret Ahonen, 78 tundi, 1-3.08.2012.
- Quality in Higher Education – Workshop Leaders in Quality Estonia. prof. E.van Kemenade, 26-27.04.2012.
- VÕTA välishindajate koolitus. PRIMUS, 2 päeva, 24-25.04.2012.

- Kutsekoolide välishindajate koolitus. EKKA, 2 päeva, 03-04.02.2012.
- Entrepreneurial Pedagogy, prof. Filip Burgelman, 2 päeva, 20-21.02.2012.
- Meeskonnatöö. Mats Soomre, 1 päev, 30.01.2012.
- Test kui hindamismeetod. TÜ, Piret Luik, 11.10 ja 02.12.2011.
- Active learning. 3 päeva, prof. James Groccia, 9-11.08.2010.
- Õppekavagruppide üleminekuhindamine. 2 päeva, Heli Mattisen, Jari Kukkonen, 11-12.06.2010.
- Häälekoolitus. 1 päev, Veiko Täär, 2010
- Meeskonnatöö. 1 päev, Mats Soomre, 02.06.2010.
- Kõrgkooli sisemise kvaliteedikindlustamise protsess (juhtassessorina). 104 tundi, Tiia Tammaru, Jari Kukkonen, Kaido Väljaots, 16.02.2010 – 31.05.2010.
- Research Design. 2 päeva, prof. Samuel R. Mathews, 25-26.05.2010.
- Kommunikatsioonikoolitus „Kuidas liigutada infot edukalt?", 1 päev, Priit Pullerits, 24.05. 2010.
- Arenguvestlused. 1 päev, Mats Soomre, 03.05.2010
- Kõnelemine, see on imelihtne. 1 päev, Martin Veinmann, 11.01.2010.
- Eesti turismiettevõtete kvaliteediprogrammi välishindajate koolitus (Mystery shopping). 3 päeva, 2009, Eesti Kvaliteediühing.
- Avatud ruumi metoodika. 1 päev 2009, Mart Sarv.
- Aktiivsed õppemeetodid ja üliõpilaste motiveerimine. 3 päeva 2009, PhD James Groccia (Auburni Ülikool, USA).
- Väljundipõhine õppekavaarendus kõrghariduses. 160 tundi, 2008 -2009, TÜ ja PRIMUS.

5. Teenistuskäik

Töötamise aeg	Tööandja	Ametikoht
11/2012 – praeguseni	Eesti Ettevõtluskõrgkool Mainor	Kvaliteedi- ja koolitusjuht, lektor
01/2010 – 10/2012	Mainori Kõrgkool	Juhtimise Instituudi õppedirektor, lektor
07/2006 – 12/2009	Mainori Kõrgkool	Juhtimise Instituudi direktor, lektor
10/2005 – 07/2006	Mainori Kõrgkool	Personalijuhtimise moodulijuht
02/2003- 10/2005	Avaliku Teenistuse Arendus- ja Koolituskeskus	Valdkonnajuht
03/2002– 01/2003	Eesti Haldusjuhtimise Instituut	Koolitusspetsialist

6. Teadustegevus

6.1. Artiklid rahvusvahelistes ajakirjades või artiklikogumikes

Titov, E., & Kuimet, K. (2015). The generations of Estonian small business' leaders based on their values. EUAS Proceeding (ilmumas)

Lorenz, A., Kreegimäe, K., Haldma, T. Titov, E. (2014) Benefits, Difficulties, and Success Factors of Three Different Quality Assessment Processes in Estonia. *Management Studies*, 2 (7), 479-491

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Titov, E. (2014). From Modernism to Postmodernism – Change of Estonian Managerial Values. *Advances in Education Research,* 53.

Titov, E., Tuulik, K. (2013). Management of Higher Education Institutions: Quality Management through Value Based Management. *American International Journal of Contemporary Research*, 9(3), 29 - 41

6.2. Artiklid konverentsikogumikes ja käsiraamatutes

Kukkonen, J., Saidla, T., Halttunen, J., Kärbo, N., Rotenberg, K., Tarmak, N., Tammaru, T., Kalle, E., Aermates, E., Titov, E., Rohelaan, R., Kull, M., Ovsjankin, A., Senkel, S., Tiik, K. (2012). Tootmise juhtimise käsiraamat, Äripäev.

Kiili, J., Saal, T., Maripuu, I., Kumpas, K., Burgelman, F., Pihlak, Ü., Merkuljeva, T., Elenurm, T., Gross, P., Õunapuu, T., Titov. E., Torokoff-Engelbrecht, M., Kaldma, M., Karm, T. (2013). Ettevõtlusõpe kõrgkoolis (metoodiline materjal)

6.3. Konverentsiettekanded

KVÜÕA konverents Tõhusa ja kaasahaarava õppe korraldamine kõrgkoolis, 16.10.2014, ettekanne teemal Eelkaitsmine kui üliõpilase uurimistöö koostamist toetav tegevus (koos Tauno Õunapuuga)

EBES 2014, Barcelona, 22-25.10.2014, ettekanne: ” Values in Postmodern Management”

EUAS 2014 Conference Innovation and Entrepreneurship- Change of Paradigm, 07.11.2014, ettekanne: “The generations of Estonian small business’ managers based on their values” (koos Karin Kuimet)

EBES 2013, Jekaterinburg, 12-14.09, ettekanne: ”From Modernism to Postmodernism. Spread of Human Centerd Values and Management in Estonian Organisations”

EUAS 20th Jubilee Conference “Educational Aspects of Entrepreneurship and Creativity”, ettekanne “Organisational Values According to Employee Job Satisfication Research and Student Satisfication Research in EUAS.”, 09. 11.2013 Tallinnas (koos Karin Kuimetiga)

International Conference for Higher Education “Higher education - higher level learning?”, ettekanne “Students’ Evaluations of Learning: Is There a Difference According to Sex, Age, Field of Study and Working Experience?” 23-25. jaanuar 2013 Tallinnas (Koos Kaija Kumpas ja Tauno Õunapuu)

Euroopa kvaliteediorganisatsiooni EOQ 57. Congress "Quality Renaissance - Co-creating a Viable Future” ettekanne "Management of HEI: Quality Management through Value Based Management" Tallinnas 18.-19. juunil 2013(koos Krista Tuulikuga).

EBES 2012 Warsaw Conference, artikkel ja ettekanne teemal “The Analyse of Three Different Quality Processes (HEI´s, Vocational Schools` and Enterprises` Quality Awards) in Estonia”, 1-3.11.2012

25th EBEN Annual Conference "Work, Virtues and Flourishing", Barcelonas, artikkel ja ettekanne teemal “Estonian Managerial Values in Value Systems in Ensuring Sustainability of Organisations”, 20-22.09.2012

ICERI2011, the International Conference of Education, Research and Innovation, Madridis, artikkel ja ettekanne teemal „Evaluation Process of Academic Staff in Estonian Entrepreneurship University of Applied Sciences”, 14-16.11.2011

IIth International Scientific Conference "Management Horizons in Changing Economic Environment: Visions and Challenges", Kaunases, artikkel ja ettekanne teemal „Post-Recession Values in Estonian Enterprises”, 22-24.09.2011

Rahvusvaheline Kõrghariduskonverents „University Teaching as a Scholarship", Tartus, ettekanne teemal „University Teacher Competence Model".l 24-26.01.2011

EBEN Annual Conference 2010, Euroopa Ärieetika Võrgustiku konverents, artikkel ja ettekanne teemal „Väärtuste muutus Eesti juhtimises 2007 – 2009", 9-11.09.2010.

Kaugtöökonverents, Paides. Ettekanne teemal „Kaugtöökeskuste mudelid ja loomine". 2009

7. Osalemine erinevatesse töökohavälistesse töörühmades

- Eesti Kõrghariduse Kvaliteediagentuuri kõrghariduse hindamisnõukogu liige, alates 2015
- Ärikorraldaja ja väikeettevõtja kutsestandardi koostamise ekspertgrupp, 2014.
- Kvaliteedijuhi kutsestandardi ja hindamisstandardi koostamise ekspertgrupp, 2013 – 2014.
- Rahvusvahelise kõrghariduskonverentsi 2013 töörühm.
- 57th EOQ Congress - Co-creating a Viable Future 2013 töörühm.
- RKRN kvaliteedijuhtide töörühm, alates 2010.
- Eesti Kvaliteediühing (ettevõtte esindaja, assessor), alates 2006.
- Centre for Quality Assessment in Higher Education (SKVC) in Lithuania - kõrghariduse hindamisekspert, alates 2013
- Õppekavanõustaja ja koolitaja Sisekaitseakadeemias, alates 2005.
- Eesti Kõrghariduse Kvaliteediagentuuri hindaja nii kõrghariduse kui kutsehariduse õppekavarühmades, alates 2010.
- VÕTA välishindaja, alates 2011.
- Teenusmajanduse Koja hariduse töögrupi liige, alates 2014

8. Juhendatud lõputööd

Alates aastast 2005 on Eneken Titov juhendanud 39 lõpu- ja magistritööd teemadel:

- Organisatsiooni väärtused
- Organisatsioonikultuur
- Tööeetika
- Töörahulolu ja -motivatsioon
- Muudatuste juhtimine
- Protsessijuhtimine
- Konfliktid organisatsioonis

- Strateegiline juhtimine
- Meeskonnatöö

9. Teadustöö põhisuunad

Organisatsioonikultuur ja -väärtused, ettevõtluspedagoogika, kõrghariduse didaktika, kõrghariduse kvaliteedijuhtimine.

CURRICULUM VITAE

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2. Education

2009 –	Tallinn University of Technology, Tallinn School of Economics and Business Administration, doctoral studies.
2006 – 2008	University of Tartu, Faculty of Economics and Business Administration, master studies (not graduated)
1997 – 2001	University of Tartu, Faculty of Economics and Business Administration, Bachelor degree in management and marketing. (According to Bologna system, the degree is equalised to master degree)

3. Language competence

Language	Level
Estonian	Native
English	C1
Russian	B1
French	A1

4. Special courses (since 2008)

- HEInnovation, OECD, Vilnius, 17-18.06.2014
- Design Research and Action Research, TU, Katrin Niglas, 20.05, 29.05.2014
- Academical English, Lea Klements, 60 hours, 2014
- The Hedgehog Effect: Secrets of Building High Performance Teams. Manfred Kets de Vries, 09.05.2013
- Entrepreneurship Pedagogy, Alan Gibb, 21.11.2013
- Entrepreneurship Education, Tampere University of Applied Sciences, Timo Nevalainen, 03-04.12.2012
- Qualitative research methods for teachers, prof. Judit Strömpl, 29-30.11.2012
- Organisational culture, values and motivation. University of Tartu, prof. Anne Reino and Maret Ahonen, 3 ECTS, 1-3.08.2012

- Quality in Higher Education – Workshop Leaders in Quality Estonia. Fontys University of Applied Sciences in Eindhoven, prof. E.van Kemenade, 26-27.04.2012
- Assessment of Prior Learning system. Archimedes Foundation, PRIMUS, 24-25.04.2012
- Training of Assessors of Vocational education. Estonian Higher Education Quality Agency, 03-04.02.2012
- Entrepreneurial Pedagogy, prof. Filip Burgelman, 20-21.02.2012
- Teamwork, Mats Soomre, 30.01.2012 and 02.06.2010
- Test as a method for student evaluation. University of Tartu, Piret Luik, 11.10 and 02.12.2011
- Active learning. 3 ECTS, Auburn University (USA), prof. James Groccia, 9-11.08.2010
- Training of assessors of Quality assessment of study programme groups, Estonian Higher Education Quality Agency, Heli Mattisen, Jari Kukkonen, 11-12.06.2010
- The Quality assurance process of HEI's (as a leading assessor). 4 ECTS, Tiia Tammaru, Jari Kukkonen, Kaido Väljaots, 16.02.2010 – 31.05.2010
- Research Design, University of West Florida, prof. Samuel R. Mathews, 25-26.05.2010
- Training of assessors of quality assessment of Estonian tourism enterprises, Estonian Association for Quality, 4 ECTS
- Active learning and student motivation, PhD James Groccia (Auburni Ülikool, USA) 3 days, 2009,
- Learning outcome based curricula development in higher education, University of Tartu and Archimedes Foundation, 2008 -2009

5. Employment History

Period	Organisation	Position
Since 11/2012	Estonian Entrepreneurship University of Applied Sciences	Quality Manager and lecturer of Organisational Psychology
01/2010 – 10/2012	Mainor Business School	Director of Studies in Management Institute and lecturer
07/2006 – 12/2009	Mainor Business School	Director of Management Institute and lecturer
10/2005 – 07/2006	Mainor Business School	Manager of Personnel Management Curricula and lecturer
02/2003-10/2005	The Center for Development and Training of Public Service	Field manager (management, finances and EU trainings)

03/2002– 01/2003	Institute of Public Administration of Estonia	Training specialist

6. Scientific work

6.1. Articles in international journals or in collection of articles

Titov, E., & Kuimet, K. (2015). The generations of Estonian small business' leaders based on their values. EUAS Proceeding (in print)

Lorenz, A., Kreegimäe, K., Haldma, T. Titov, E. (2014) Benefits, Difficulties, and Success Factors of Three Different Quality Assessment Processes in Estonia. *Management Studies*, 2 (7), 479-491

Virovere, A., Titov, E., & Meel, M. (2011). Change of Management Values in Estonian Business Life in 2007-2009. *Chinese Business Review*, 10 (11), 1028-1042.

Titov, E., Virovere, A., Meel, M., & Kuimet, K. (2013). Estonian Managerial Values in Value Systems in Ensuring Sustainability of Organisations. *Journal of Management and Change,* 1/2 (30/31), 66-81.

Virovere, A., Titov, E., Kuimet, K., & Meel, M. (2013). Propagated and Real Values in Estonian Organisations According to Conflict Analysis. In G. Prause, U. Venesaar & W. Kersten (Eds.), *International Business – Baltic Business Development* (pp. 107 – 124), Frankfurt am Main: Peter Lang GmbH.

Titov, E., Kuimet, K., Meel, M. (2013). Post-Recession Values in Estonian Organizations. In G. Prause, U. Venesaar & W. Kersten (Eds.), *International Business – Baltic Business Development* (pp. 93 – 105), Frankfurt am Main: Peter Lang GmbH.

Titov, E. (2014). From Modernism to Postmodernism – Change of Estonian Managerial Values. *Advances in Education Research,* 53.

Titov, E., Tuulik, K. (2013). Management of Higher Education Institutions: Quality Management through Value Based Management. *American International Journal of Contemporary Research*, 9(3), 29 - 41

6.2. Articles in conference proceedings and in handbooks

Kukkonen, J., Saidla, T., Halttunen, J., Kärbo, N., Rotenberg, K., Tarmak, N., Tammaru, T., Kalle, E., Aermates, E., Titov, E., Rohelaan, R., Kull, M., Ovsjankin, A., Senkel, S., Tiik, K. (2012). Handbook for Production Management, Äripäev.

Kiili, J., Saal, T., Maripuu, I., Kumpas, K., Burgelman, F., Pihlak, Ü., Merkuljeva, T., Elenurm, T., Gross, P., Õunapuu, T., Titov. E., Torokoff-Engelbrecht, M., Kaldma, M., Karm, T. (2013). Entrepreneurship pedagogy in HE (methodical material)

6.3. Conference presentations

Conference of KVÜÕA. Effective and Inclusive Learning in HEI 16.10.2014, Presentation: Pre-defense as supportive activity for students in research process (with Tauno Õunapuuga)

EBES 2014, Barcelona, 22-25.10.2014, presentation: Values in Postmodern Management.

EUAS 2014 Conference Innovation and Entrepreneurship- Change of Paradigm, 07.11.2014, presentation: "The generations of Estonian small business' managers based on their values" (with Karin Kuimet)

EBES 2013, Jekaterinburg, 12-14.09, presentation: "From Modernism to Postmodernism. Spread of Human Centerd Values and Management in Estonian Organisations"

EUAS 20th Jubilee Conference "Educational Aspects of Entrepreneurship and Creativity", presentation "Organisational Values According to Employee Job Satisfication Research and Student Satisfication Research in EUAS.", 09.11.2013 in Tallinn (with Karin Kuimetiga)

International Conference for Higher Education "Higher education - higher level learning?", presentation "Students' Evaluations of Learning: Is There a Difference According to Sex, Age, Field of Study and Working Experience?" 23-25.01.2013 in Tallinn (with Kaija Kumpas and Tauno Õunapuu)

European Quality Organisation (EOQ) 57th Congress "Quality Renaissance - Co-creating a Viable Future" presentation "Management of HEI: Quality Management through Value Based Management" in Tallinn 18.-19.06 2013 (with Krista Tuulik).

EBES 2012 Warsaw Conference, presentation "The Analyse of Three Different Quality Processes (HEI´s, Vocational Schools` and Enterprises` Quality Awards) in Estonia", 1-3.11.2012 (with Anneli Lorenz and Katrin Kreegimäe)

25th EBEN Annual Conference "Work, Virtues and Flourishing", Barcelonas, presentation: "Estonian Managerial Values in Value Systems in Ensuring Sustainability of Organisations", 20-22.09.2012

ICERI2011, the International Conference of Education, Research and Innovation, in Madrid, presentation „Evaluation Process of Academic Staff in Estonian Entrepreneurship University of Applied Sciences", 14-16.11.2011

IIth International Scientific Conference "Management Horizons in Changing Economic Environment: Visions and Challenges", in Kaunas, presentation: „Post-Recession Values in Estonian Enterprises", 22-24.09.2011

International Higher Education Conference „University Teaching as a Scholarship", in Tartu, presentation „University Teacher Competence Model". 24-26.01.2011

EBEN Annual Conference 2010, presentation „Change of Management Values in Estonia in 2007 – 2009", 9-11.09.2010.

Conference of Teleworking, in Paide. Presentation „Models of Teleworking". 2009

7. Professional Membership

- Member of scientific Committee of International Higher Education Conference 2013" Higher education – Higher level learning" 23-25.01.2013 in Tallinn, Estonia
- Member of scientific Committee of 57th EOQ Congress "Co-creating a Viable Future " 2013
- Estonian Rectors' Conference of Universities of Applied Sciences, member of the committee of quality management
- Estonian Association for Quality, member and assessor
- Estonian Association of Personnel Development, member
- Estonian Qualifications Authority, member of two teams (professional standard of Quality Manager and professional standard of manager and entrepreneur)
- EKKA Quality Assessment Agency (Estonia), expert and assessor
- SKVC Quality Assessment Agency (Lithuania), expert

8. Thesis supervision

Since 2005, Eneken Titov has supervised 39 Final and Master thesis. The main topics are:

- Organisational Values
- Organisational Culture
- Work Ethics
- Job Satisfaction and Motivation
- Change Management
- Process Management
- Organisational Conflicts
- Strategic Management
- Teamwork

9. Main areas of scientific work

Organisational culture and values, entrepreneurship pedagogy, higher education didactics, quality management in higher education.

DISSERTATIONS DEFENDED AT TALLINN UNIVERSITY OF TECHNOLOGY ON *ECONOMICS AND BUSINESS ADMINISTRATION*

1. **August Aarma**. Segmented Analysis of Bank Customers and Banking Information: Estonian Case. 2001.
2. **Enn Listra**. The Development and Structure of Banking Sector: Retail Banking in Estonia. 2001.
3. **Tatyana Põlajeva**. The Comparative Analysis of Market's Attractiveness. 2001.
4. **Tuuli Tammeraid**. Modeling Flow of Funds for Estonia. 2002.
5. **Ivo Karilaid**. The Choice in General Method for Investment and Performance Evaluation. 2002.
6. **Hele Hammer**. Strategic Investment Decisions: Evidence from Survey and Field Research in Estonia. 2003.
7. **Viljar Jaamu**. The Methods and Instruments for Solving the Banking Crisis and Development of the Banking Sector in Estonia. 2003.
8. **Katri Kerem**. From Adoption to Relationships: Internet Banking in Estonia. 2003.
9. **Ly Kirikal**. Productivity, the Malmquist Index and the Empirical Study of Banks in Estonia. 2005.
10. **Jaanus Raim**. The PPP Deviations between Estonia and Non-Transitional Countries. 2006.
11. **Jochen Sebastian Heubischl**. European Network Governance – Corporate Network Systematic in Germany, the United Kingdom and France: an Empirical Investigation. 2006.
12. **Enno Lend**. Transpordiühenduse ja logistikasüsteemi interaktsioon (Saaremaa ja Hiiumaa näitel). 2007.
13. **Ivar Soone**. Interrelations between Retail Service Satisfaction and Customer Loyalty: A Holistic Perspective. 2007.
14. **Aaro Hazak**. Capital Structure and Dividend Decisions under Distributed Profit Taxation. 2008.
15. **Laivi Laidroo**. Public Announcements' Relevance, Quality and Determinants on Tallinn, Riga, and Vilnius Stock Exchanges. 2008.
16. **Martti Randveer**. Monetary Policy Transmission Channels, Flexibility of the Economy and Future Prospects of the Estonian Monetary System. 2009.

17. **Kaire Põder**. Structural Solutions to Social Traps: Formal and Informal Institutions. 2010.
18. **Tõnn Talpsepp**. Investor Behavior and Volatility Asymmetry. 2010.
19. **Tarmo Kadak**. Creation of a Supportive Model for Designing and Improving the Performance Management System of an Organisation. 2011.
20. **Jüri Kleesmaa**. Economic Instruments as Tools for Environmental Regulation of Electricity Production in Estonia. 2011.
21. **Oliver Parts**. The Effects of Cosmopolitanism on Estonian and Slovenian Consumer Choice Behavior of Foreign *versus* Domestic Products. 2011.
22. **Mart Nutt**. Eesti parlamendi pädevuse kujunemine ja rakendamine välissuhetes. 2011.
23. **Igor Novikov**. Credit Risk Determinants in the Banking Sectors of the Baltic States. 2011.
24. **Mike Franz Wahl**. Kapitaliühingute lõppomanike alusväärtuste ja tahte uurimine ning omanikkonna tüpoloogia konstrueerimine. 2011.
25. **Tobias Wiebelt**. Impact of Lease Capitalization on the Development of Accounting Standards: A Theoretical Research. 2012.
26. **Sirje Pädam**. Economic Perspectives on Environmental Policies: The Costs and Benefits of Environmental Regulation in Estonia. 2012.
27. **Juhan Värk**. Venemaa positiivse hõlvamise poliitika ja teiste välispoliitiliste liinide mõjud Eesti-Vene suhetele aastail 1991–2011. 2012.
28. **Mari Avarmaa**. Implications of Capital Structure and Credit Constraints for Company Performance: A Comparative Study of Local and Multinational Companies in the Baltics. 2012.
29. **Fabio Filipozzi**. The Efficiency of Interest Rate and Foreign Exchange Markets in the Euro Area and Central and Eastern Europe. 2012.
30. **Aleksei Netšunajev**. Developments and Determinants of Intra-Industry Trade in the Baltic States. 2012.
31. **Aleksandr Miina**. Critical Success Factors of Lean Thinking Implementation in Estonian Manufacturing Companies. 2012.
32. **Angelika Kallakmaa-Kapsta**. Before and After the Boom: Changes in the Estonian Housing Market. 2013.
33. **Karen Voolaid**. Measurement of Organizational Learning of Business Schools. 2013.
34. **Archil Chochia**. Models of European Integration: Georgia's Economic and Political Transition. 2013.

35. **Hannes Ling**. Developing an Assessment Measure for Enhancing Entrepreneurship Education through a Metacognitive Approach. 2013.
36. **Marina Järvis**. Assessment of the Contribution of Safety Knowledge to Sustainable Safety Management Systems in Estonian SMEs. 2013.
37. **Aleksandr Michelson**. Destination Branding and Constructing Symbolic Capital in the Reproduction of Heritage Space: the Case of UNESCO Designated Hanseatic Old Towns. 2014.
38. **Alar Kolk**. Co-evolution of Capabilities' and Alliance Portfolios: Multinational Firms in Global ICT Industry. 2014.
39. **Svetlana Raudonen**. Impact of Corporative Taxation on Foreign Direct Investments: Evidence from the European Union. 2014.
40. **Riina Koris**. Customer Orientation at a Higher Educational Institution: The Perspective of Undergraduate Business Students in Estonia. 2014.
41. **Merle Rihma**. Ethics Audit: A Management Tool for Assessing of Corporate Social Responsibility and Preventing Ethical Risks. 2014.
42. **Anu Virovere**. The Role of Management Values, Knowledge Management and Conflict Management for Improvement of Organisational Sustainability. 2014.
43. **Kristina Hunke**. Conceptualisation and Management of Green Transport Corridors. 2015.