This document contains three papers on organizational values. "Understanding the Work Beliefs of Nonprofit Executives through Organizational Stories" (Ava S. Wilensky, Carol D. Hansen) reports on a study during which qualitative interviews featuring a story component established that nonprofit executives constitute a diffuse managerial subculture and see themselves operating in a complicated and ambiguous world as they balance business and personnel requirements with the spiritual motivation of their service mission. "Work-Related Values of Managers and Subordinates in Manufacturing Companies in Germany, Georgia, Kazakhstan, the Kyrgyz Republic, Russia, and the United States" (K. Peter Kuchinke) reports on a survey of more than 4,000 respondents from 10 manufacturing companies in 2 Western countries and 4 countries of the former Soviet Union. The study examined the existence of within-country and between-country variation in cultural dimensions, differences between the values of managers and those of their subordinates, and the influence of demographic factors on culture. "Valuing the Employment Brand: Attracting Talent That Fits" (Diane M. Bergeron) argues that employment branding benefits both individuals and organizations, functions as a recruiting tool in a competitive labor market, and communicates the organization's values and work environment to potential applicants. All three papers include substantial bibliographies. (MN)
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Understanding the Work Beliefs of Nonprofit Executives through Organizational Stories

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To strategically support the unique needs of nonprofits, HRD scholars and practitioners require a deeper understanding of the culture and of their executives who shape their belief systems. Through qualitative interviews that featured a story component, a core theoretical concept emerged that suggested that nonprofit executives are a diffuse managerial subculture. The study's participants saw themselves operating in a complicated and ambiguous world as they balanced business and personnel requirements with the spiritual motivation of their service mission.

Keywords: Nonprofit Executives, Qualitative Research, Stories

Today, more than ever, HRD is needed in nonprofit organizations. Driven by a dwindling volunteer population, a larger reliance on a small but permanent staff, and demands for improved structure and greater accountability (McFarland, 1999; Young, Bania, & Bailey, 1996), our expertise is called upon to help these agencies more carefully align personnel requirements and organizational structures with missions and business objectives (Sheehan, 1996). To effectively nurture cultures where new systems of performance management can thrive, HRD professionals must clearly understand the assumptions and goals of nonprofits, in general, and of their executives, in particular. Available research on nonprofit executives is limited in its quantity and its theoretical grounding. Missing, in particular, are data that explore the cultural side of nonprofits (Austin, 1989; Levy, 1988; Schmid, Bar-Gal & Hasenfeld, 1991; Young, 1987) and the perspectives and behaviors of their directors.

Problem Statement

Studies suggest that an organization's executives greatly shape formal and informal codes and assumptions (Hansen & Kahnweiler, 1997; Kouzes, 1999; Schein, 1985; Trice & Beyer, 1993) and thereby influence our strategic significance (Hansen & Kahnweiler, 1995). What we know about the subculture of executives' beliefs comes mostly from research conducted in the for-profit sector (e.g. Gustafson, 1984; Jackall, 1988; Knudsen, 1982). However, nonprofit organizations are different (Drucker, 1990a, 1990b; Egri & Herman, 2000; Gelatt, 1992; Najam, A., 1996; Vladeck, 1988) and their environments offer greater challenges and hazards to our field. Because the goals of nonprofits are typically not hard financial targets, but soft human issues that must respond to the sometimes diverse needs of multiple contingencies, accountability is an ever-present struggle (Luecke, Shortill, Meeting, 1999; McDonald, 1996; Rojas, 2000). Likewise, forecasting is less predictable as nonprofits are often at least partially staffed by volunteers and funded by grants and/or charitable contributions (Heimovics, Herman, & Coughlin 1993). It is this sense of ambiguity and uncertainty that causes the systematic application and accountability of HRD interventions to be a formidable task.

Theoretical Framework and Research Questions

The most extensive form of sub-cultural patterning is linked to the kind of work people do. Occupational subcultures are distinct groupings within a larger organizational culture (Trice & Beyer, 1993) and are cohesive despite the fact that they typically cross organizational boundaries and often lack consistent face-to-face interactions (Haralambos & Holborn, 1991). Shared tenets spread throughout the subculture forging professional ties, creating social bonds, and influencing each executive manager and his or her respective organization (Trice & Beyer, 1993).

This theoretical body offered a foundation for the following research questions.

- In what way(s) do nonprofit executives define their function and mission?

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What do nonprofit executives see as significant motivating factors, obstacles or risks in their organizations?

Of particular interest to our study was prior research on for-profit executives (Hansen & Kahnweiler, 1997; Mintzberg, 1973, 1989). Mintzberg’s findings supported our own by showing that a manager’s work is fragmented, diverse, and with much emphasis on personnel issues. Hansen and Kahnweiler also found that people concerns were a high priority. In particular, their data illustrated the executives' tendency to reproduce their own values by unconsciously promoting and grooming individuals who shared their belief systems. Additionally, business acumen was valued more than technical skill. In nonprofits, permanent staff is small in number and typically hired for their technical knowledge. This difference led to the following research question by causing us to wonder how nonprofit executives might view personnel development and its link to organizational missions.

How do nonprofit executives see themselves, their personnel and their organizational structures and missions as similar or different from their for-profit counterparts?

Finally, a study of HRD specialists in for-profit organizations by Hansen, Kahnweiler, and Wilensky (1994) indicated that practitioners in our field were highly dependent on the strategic support of executive management in order to carry out their work. An HRD specialist’s ability to gain this aid was influenced by the degree to which the practitioner’s goals and tactics were similar and therefore compatible with the cultural beliefs of executive management (Hansen & Kahnweiler, 1995). We thus asked the following research question.

How might the beliefs of nonprofit executives influence HRD goals, priorities, and strategies?

Methodology

We chose the organizational story as a tool for studying the subculture of nonprofit executives (Conger, 1998; Hansen & Kahnweiler, 1993). More than most other data collection methods, stories allow researchers to examine perceptions that are often filtered, denied, or not in the informants’ consciousness (Martin, 1982). As such, it is not necessary for stories to be factual representations of events, relationships, or ideology. Rather, a story reflects what a cultural member believes to be true, not what others may confirm as true. (Feldman, 1991; Martin, 1982; Martin & Powers, 1983; Mohan, 1993).

A unique aspect of the story analysis used in this study was the examination of the stories’ individual components. Drawing from previous research models (Hansen & Kahnweiler, 1993; Hansen, Kahnweiler, & Wilensky, 1994), story elements included heroes, villains, motivating forces, morals, and plot development. It has been found that a subject’s perception of what constitutes a hero or a dilemma, for example, influences plot development and subsequently reveals what the informant considers to be positive or negative forces and conflict resolution methods (Hansen & Kahnweiler, 1993).

Story data were collected by the lead author through open-ended interviews with 28 executives (11 females and 17 males) from 28 organizations and provided the primary data set for this study. At the time of the research, each interview participant was serving as director or assistant director of a national or international nonprofit organization. Interviews took place at each nonprofit's U.S. headquarters in Atlanta, Boston, New York, or Washington, D.C. Participants were obtained using snowball sampling which allowed key participants to identify social and professional networks from which the interviewees were drawn (Bernard, 1988). In line with guidelines developed by Herman and Heimovics (1989, 1990, 1991) the participants came from publicly supported nonprofit organizations; executives from grant making foundations or religious institutions were not included, and executives from hospitals and colleges were excluded on the basis of institutional complexity and competition from other sectors.

Individual interviews were audiotaped and transcribed. They lasted between an hour and two hours and consisted of two parts. First, participants were asked to relate a short story about their organization. Following, a semi-structured interview scheme, participants were asked to identify the story components and these interpretations offered a base for probing their beliefs related to the research questions. Triangulation was accomplished through the review of executives’ annual reports letters as cultural artifacts and though the observation of executives’ focus groups. The study utilized grounded theory methodology to inductively code and derive categories and thematic relations (Strauss & Corbin, 1990). While the data from this qualitative study are not generalizable, and are limited to nonprofit organizations, we believe that the findings illustrate probable differences between the for-profit and nonprofit sectors.
Research Findings and Conclusions

The results are organized and presented in accordance to their link with the first three research questions. The fourth research question connecting this study’s findings to the work of HRD practitioners is addressed the final section of this paper.

Missions and Functions

While exploring the first of the four story elements (heroes, heroines, and positive forces), we found that executives were very willing to discuss the positive aspects of their organizations, usually intertwining their missions and visions of their organizations with this component. In executives’ stories, the mission of the organization was often described in terms of its ethical commitment to serve the community and address societal problems. Throughout the data, the mission was communicated with great passion and commitment, typically concerning lofty ideals and values about human potential and the necessity of equalizing the imbalances and injustices that exist in contemporary societies. Culminating in a kind of spiritual expression, the executives saw work in nonprofits as encompassing a social consciousness and commitment as well as divine inspiration and benevolence. This spiritual expression permeated these executives’ conceptualizations of work. The challenge was to change the world by making a difference in the lives of individuals. Through building capacity, providing support, administering care, and critical intervention, executives perceived the work of nonprofits as a way to affect and heal humanity. A participant wrote:

I think we have to live our lives with purpose and meaning and we have to make sure the world is better when we leave it than when we found it. I think we have to model caring and concern for our children and our friends. This agency allows me to do it. We live in a world where we have to learn to live with others and build ties with them. You hope the world can change. But nothing will happen if you don’t go out and do it.

Having limited administrative budget and support staff, nonprofit executives typically viewed their power to come not from financial ownership in the company, but primarily from their ability to maneuver and motivate people around the mission. They spoke, in particular, about change issues, which were frequently worrisome to the board, staff, and clients. Thus, organizing and monitoring these stakeholders was a substantial responsibility and consumed extensive amounts of their time and energy.

Organizational and personnel development also emerged as an important functional role that served as the focus of story plots. In particular, the participants were concerned with altering organizational systems to remain current and responsive to their rapidly changing circumstances. To this end, an organization’s people (both staff and volunteers) were considered to be its essential strength. A participant said:

We are made up of a very small paid professional staff. I really believe that Drucker is right. I don’t believe there are any volunteers; there is paid and unpaid staff. And our volunteers are the vast majority of our organization. They are the unpaid staff. And we treat them as staff in that we give them as much quality information as we can in order for them to move us toward the mission of our organization. Our job as paid staff is to make sure that we research, find the answers, ask the questions, and develop the techniques by which these volunteers can be effective.

Of note was that over half of the stories’ plots concerned the offering of quality services that would empower and change people’s lives in times of bottom-line accountability. Thus, finding adequate funds to provide programs intrinsic to their organizational missions and administering their operations in a cost-efficient manner also emerged as another fundamental part of their work. This function was described as difficult and the lack of business acumen was often seen as a story villain. Much of this data was linked to the second research question regarding perceived obstacles.

Motivating Forces, Obstacles, and Risks

The spirituality associated with the participants’ work was a primary motivating force. This point is particularly remarkable when considering that no religious institutions were included in the sample. These executives frequently regarded ethical principles as the hero or positive force of their stories. A concern for ethics thus provided the main catalyst for offering quality services that were superior to those mandated by government legislation. Established on high ideals and ethical foundations, this quality was often portrayed as the embodiment or articulation of divine inspiration. Divine inspiration was the basis of the executives’ explanations for the ability to persevere through trials and barriers in order to accomplish their organizations’ missions. One participant stated:
We run what is something between a cross of a business and a ministry. You've got to be called to this kind of work and see that there is a way to serve, to give back.

In addition, people were consistently identified as heroes and motivating forces in participants' stories. Executives frequently mentioned their appreciation of volunteers in moving their organizations' missions forward. It is noteworthy that, while focusing on the abilities of others, executives repeatedly denied or diminished their own individual importance in the organization. Moreover, this self-effacing quality was apparent when executives judged the significance of the organizational mission to be more consequential than the talents or importance of any one particular individual.

Executives also saw people as the primary impediment to the progress or delivery of services of the organization. Participants identified people who misused power, who did not have a vision or a realistic understanding of the problems that the organization addressed, and who would not collaborate or cooperate with change actions, as villains and hindrances. An executive explained:

It is interesting that no one articulating an [oppositional] view has ever come out of working directly with the people. And it's in your relationships with people that the judgments tend to fall away, when you really understand what you're up against. And I suspect that a lot of political people produce this armchair philosophy, judging people from a distance, and don't really understand the reality of the situation.

As the fourth story element, the stories' morals taught the importance of having faith in all people, be they internal or external to the organization, along with the importance of accepting social responsibility for the less fortunate. People were viewed as having the ability to improve their lives or change the lives of others. Finally, the general ambiance of the government, as well as the organization's relationship with the community or population it served, had important bearing on the ability of the executive and his or her organization to fulfill the mission and serve its clients. Executives perceived meeting the needs of clients as the most important barometer of organizational success and as the primary reinforcement for nonprofit work. Of particular note was a belief in the importance of offering quality services through committed people who were open to change and collaboration but whose work was constrained and complicated by legislated mandates and funding control.

Comparison to For-Profit Counterparts

Without exception, nonprofit executives believed that for-profit organizations are more easily managed and accomplish tasks in a relatively simplistic manner. For-profits were seen as existing to produce specific goods or services for consumers who had a disposable income. Moreover, for-profit executive management was seen as having a large budget and support staff with which to exercise extensive control over organizational processes, products, employees, and other stakeholders. The lack of which often played the villain in the participants' stories.

Because the nonprofit product was less concrete and definitively more people-focused than a for-profit product, executives believed that a bottom-line evaluation of success was difficult at best. They concluded that the unique demands generated by stakeholders and the instability of funding assurance, coupled with the lack of predefined and reinforced positional power made executive management in this sector a unique experience. Executives concluded that the bulk of operational processes could take place in any venue or sector, but that funding concerns and managing volunteers presented unique situations only present in the nonprofit world.

Conclusions

Strong consistent patterns from the study's participants regarding how work was defined are in keeping with studies of occupational cultures (e.g., Trice & Beyer, 1993). A particular distinction of these findings was the altruistic nature of the participants' calling and organizational goals. As a contrast, studies of for-profit executives have addressed the functional nature of their work; they have not included spirituality as a primary aspect (e.g., Daft & Weick, 1984; Moussavi & Evans, 1993). This common sense of "being different" from for-profit counterparts was an important theme that emerged in data associated in the third research question and a key denominator in the sub-cultural development of nonprofit executives. Additional aspects of occupational bonding found in the data addressed the second research question. These included similar perceptions of threat in the form of external constraints, inter-organizational competition for and the instability of funds, and an unrealistic or disinterested societal grasp of their work. Two final bonds that are consistent with the literature on occupational sub-cultures were the inability to distinguish work from non-work and the belief that self-image is enhanced by one's labor. The data from this study indicated that these criteria were fulfilled through an ethical focus and a spiritual expression of the participants' service missions.
Inspirational and benevolent qualities that both distinguished and motivated these executives was based on a strong ethical commitment that has been suggested in prior research. O’Neil (1992) for example, theorized that in nonprofits, ethical issues are more important and therefore, management is more complex than in other sectors. Also confirming this premise, Rubin (1990) developed a theory of sectorial ethics and surmised that legal and normative ethics in relation to administrative and technical practices in nonprofits were more complex than in for-profits.

Implications for HRD

Not only do the perspectives of top executives influence how an organization’s mission is interpreted, it is also important to note that top management influences the nature of educational and developmental interventions not only for themselves, but also for their employees (Raghuram, 1994). Data from this study confirm such tendencies in the nonprofit sector. It thus seems reasonable to assume that, as in the for-profit sector, dissonance between the work of HRD specialists and the organization’s prevailing beliefs may send confusing signals and often results in low employee retention, performance, and morale. The more knowledge we garner about executive management in nonprofits, the easier it will be for HRD professionals to determine what organizational and employee development goals, strategies, and priorities will most effectively support both functional and spiritual missions.

Goals and Priorities

This study confirmed that consistent with their counterparts in other sectors, nonprofit executives place high priority on their staff. This finding is constant with studies that stress the alignment of personnel skills, a sense of identity (Dutton & Dukeridge, 1991; Margolis, 1998), and a shared mindset (Ulrich et al., 1993) with an organization’s beliefs and goals and thus suggests that the recruitment and retention of appropriate staff is paramount. Nonprofits need staffs that, like their executives, are motivated by the spiritual expression of their mission. This is a baseline criterion for these personnel; however, it may not be entirely limited to this sector. While for-profit executives appear to be more driven by financial gain, their employees are increasingly motivated by spiritual work connections which may be a factor in retaining talent, and drive alignment concerns as recently evidenced in both the academic and practitioner literature (e.g. Moxley, 1999; Vaill, 1998). Staff are also needed whose business acumen enables them to carry out the functional mission while possessing the spiritual values needed to embrace the ethical principles of the organization’s societal charge. As nonprofit executives perceive their roles and organizations to be culturally fraught with unique and complicated conditions, it is also critical to hire personnel who can cope with the ambiguity of changing environments and accountability issues that are often difficult to control and define.

As nonprofits respond to the new demands of their constituents, they will need management systems that support more efficient work styles, leveraging of resources, and strategic planning. Nonprofits can reduce fear and support change by transforming their cultures into learning organizations that benefit from cross-functional collaboration and the sharing of lessons learned from prior successes and failures. Such environments are generally associated with collective meanings (Dixon, 1997) and lead to high trust cultures which are considered to be more effective in promoting synergistic problem solving and innovative risk taking (e.g. Fukuyama, 1995; Organ & Ryan, 1995; Van Dyne, Cummings & Parks, 1995).

Strategies

Finally, in implementing these recommendations, HRD professionals must gain the trust of nonprofit executives in order to obtain resources, have autonomy, and be influential. Research on trust (Kramer, Brewer & Hanna, 1996) suggests that such bonds occur from viewing organizational threats in a similar way and by developing a willingness to depend on others. Studies of trust and top management in the for-profit sector suggest that confidence concerns are extremely important to them because they must make important decisions based on very little certainty (McCall & Lombardo, 1983). Data from this study suggest that the issue of trust may be even more important for the nonprofit executive who sees himself as operating with less control than his or her private sector counterparts.
References


Work-related Values of Managers and Subordinates in Manufacturing Companies in Germany, Georgia, Kazakhstan, the Kyrgyz Republic, Russia, and the U.S.

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This paper is based on a survey of over 4,000 respondents from ten manufacturing companies in two Western countries and four countries of the former Soviet Union. The study is using Hofstede's framework and instrumentation, and explores work-related culture dimensions of managers and employees in the ten companies. The results point to within and between country variation in cultural dimensions, differences between managers and their subordinates, and the influence of demographic factors on culture.

Keywords: Culture, International HRD, Work values

One of the focal issues in comparative and cross-cultural organizational, management, and human resource-related research is the impact of culture and cultural values on management and organizational behavior. Societal culture, which can be described as a 'collective mental programming' of people who share a similar environment, shapes work-related cultural values and behavior in organizations (Hofstede, 1997). In recent years, given the expanding international trade, business, and investment activities, and the growing presence and influence of multinational enterprises (MNEs) throughout the world, research on work-related cultural values has grown both in amount and criticality (Thomas & Mueller, 2000). Understanding variations in multiple cultures and the differences in work-related values across the globe is an essential criterion for competitive survival (Adler, 1991). Inadequate awareness of international variations in cultural systems, including values, can exacerbate expatriate failure (Black & Mendenhall, 1989; Nicholson, Stepina, & Hochwarter, 1990; Tung, 1987). It has been observed that business practices vary as a result of work-related cultural value differences (Ronen, 1986; Ronen & Shenkar, 1985), that management styles are culture-specific (Bartlett & Goshal, 1992; Carlson, Fernandez, & Stepina, 1996; Dorfman & Howell, 1988; England, 1978; Ronen & Shenkar, 1985), that human resource management practices must be tailored to fit local conditions (Nasierowski & Coleman, 1997), and that national culture affects the value and belief components of organizational culture (Cavenaugh, 1990; Chatman, 1989; Louis, 1983; Schein, 1992).

This paper reports the results of an empirical study of work-related culture dimensions of managers and employees. The study represents the first attempt to compare work-related cultural values of managers and employees in four countries of the former Soviet Union, and in the West, which is especially important given the need for generating normative recommendations for policy makers, business executives, investors, and training professionals seeking to facilitate the transition of the newly independent states to a democratic society and market economy. The study was conducted in ten manufacturing enterprises in four countries of the former Soviet Union (Russia, Georgia, Kazakhstan, and Kyrgyz Republic), and two countries of the West (the US and Germany). The choice of these countries was dictated by the following design considerations. First, we wanted to compare countries with established market economies and those undergoing radical economic transition; second, we wanted countries in the two groups to share, on the one hand, institutional, political, and economic frameworks, and to have, on the other hand, different socio-cultural and historical backgrounds. The four post-communist countries in this study share institutional and economic frameworks that emerged as a result of more than 70 years of communist regime. At the same time, they have different historical and cultural legacies: Georgia, the Kyrgyz Republic, and Kazakhstan have been absorbed by the Russian empire fairly recently (in the 19th century), have long and rich histories of prior independent statehood and cultural development, and all have different official languages (Brown, 1994). Similarly, Germany and the US share the foundations of the economic system (capitalist market economy), and have similar levels of technological and economic development, but have significantly different socio-cultural, political, and historical legacies. Finally, we have chosen companies from the same sector of industry—manufacturing—as opposed to services, transportation, or agriculture. Thus, controlling for a number of country-
level environmental factors, and for the industry factors, we created conditions under which the similarities and differences in work-related value dimensions observed in different countries become more salient.

The study focuses on three major research questions: 1) the degree of variance of work-related cultural dimensions between the six countries; 2) the level of variance in cultural dimensions between two groups of respondents: managers and non-managerial employees; and 3) the role of demographic characteristics (age, gender, and education) in variation of socio-cultural value dimensions.

The five dimensions of Hofstede’s framework, used in this study, are well known. The first dimension is Power Distance (PDI), defined as the degree of inequality among people that the population of a country considers as normal. The second dimension, Individualism (IND), is the degree to which people prefer to act as individuals rather than as members of groups. The third dimension, Masculinity (MAS), is the degree to which such "masculine" values, as assertiveness, competition, and success are emphasized as opposed to such values as quality of life, warm personal relationships, and service. Uncertainty Avoidance (UAI), the fourth dimension, is the degree to which people in a country prefer structured over unstructured situations. Finally, the fifth dimension—Long-term Orientation (LTO), was intended to account for specific traits of many Asian cultures, which have not been covered by the first four dimensions (Hofstede, 1993). Long-term Orientation is defined as the degree to which people’s actions are driven by long-term goals and results, rather than the short-term results and the need for immediate gratification.

According to Hofstede (1997), the U.S. business culture is characterized by low PDI, LTO, and UAI, and high IND and MAS. German employees display low PDI and LTO, and high UAI, MAS, and IND. Regarding Russian managers, Hofstede hypothesized that they would be characterized by high PDI, high UAI, medium-range IND and low MAS (Hofstede, 1993). Bollinger (1994) and Naumov (1996) tested Hofstede’s hypotheses in their studies of Russian managers, and found support for these predictions on all four dimensions. Elenkov (1997), in his comparative study utilizing Hofstede’s dimensions, found that the U.S. managers are more individualistic than their Russian counterparts and the managerial culture in the United States is also characterized by lower power distance, and uncertainty avoidance than the Russian managerial culture.

Prior research providing data on Hofstede’s socio-cultural value dimensions for Georgia, Kazakhstan, or Kyrgyz Republic could not be found. Thus, due to the lack of specific findings on these three countries, relational hypotheses regarding the differences in socio-cultural dimensions between all 6 countries in this study could not be developed, and our first research question was formulated as follows:

R1: What are the socio-cultural value dimensions of managers and employees in selected organizations in the six countries? Are there significant differences between these six countries on any of the socio-cultural dimensions?

National culture interacts with occupational culture (Hofstede, 1980; 1997; Trompenaars, 1997). Trompenaars (1997) indicates that “people with certain functions will tend to share certain professional and ethical considerations” (p. 7). Regarding the dimensions used in this study, Hofstede (1997) has found the following relationships between occupational status and culture. First, if a country scored high on PDI, this applied to all occupational levels; in low PDI countries, employees with lower occupational status (e.g., production or clerical employees) had much higher PDI scores than middle and high status professionals and managers (Hofstede, 1997, pp. 30-31). Regarding masculinity, Hofstede (1997) found that the higher status people display lower levels of MAS than skilled production employees (pp. 86-87). On the other hand, Hofstede’s (1997) results on IND and UAI suggest that people in different occupations could not be classified into “individualist” or “collectivist” (p.57), or uncertainty avoiding and non-avoiding (p. 117) groups. Follow-up studies have confirmed only some of these observations. Thus, McGrath, MacMillan, and Scheinberg’s (1992) have found that managers, when compared to entrepreneurs, had lower Power Distance, Individualism, and Masculinity, and higher Uncertainty Avoidance. Managers, when compared with engineers and production employees, have been found, in a German/US comparative context, to be more highly individualistic, more masculine, and lower on power distance (Kuchinke, 1999). To investigate the impact of occupational culture in the six countries in this study, the following question was formulated:

R2: Are there significant differences in socio-cultural values between managers and non-managers in the six countries on any of the five dimensions?

Hofstede’s (1980; 1997) research also indicated the relationship between demographic variables and culture, this relationship allowing to differentiate between groups within a given country. This relationship is complicated by the interaction between the demographic variables. To give just one example, Hofstede (1997) indicates that young men (age bracket 20-29) hold strongly masculine (assertive) values, and young women—moderately masculine values. At the same time, older men (50-59) hold strongly feminine values and have scores comparable to older women (50-59). Hofstede cautions that gender, age, and social class cultures, being categories
within larger social systems (national cultures), can only partially be classified according to the five dimensions, since not all dimensions ally to them (p. 17). To investigate the impact of demographic characteristics, the third research question was formulated as follows:

R3: What are the effects of demographic differences in age, gender, and education on socio-cultural values in the six countries on any of the five dimensions of culture?

Method

This study was conducted using causal-comparative, one-shot survey design (Howell, 1992). Twelve sites (3 divisions of one company and 9 independent companies) in six countries were surveyed. Companies in the former USSR were identified and contacted by the Center of Sociological Research (CSR) of the University of Moscow (three companies in Russia, three in Kyrgyz Republic, two in Kazakhstan, and one in Georgia). All ten firms were in the manufacturing sector of industry. Two levels of employees were surveyed: middle-level managers, and non-managerial employees, including engineers and production employees. A survey was administered to stratified random samples of employees of each of the companies in the U.S., Russia and Kazakhstan, and to populations of all employees in Germany, Georgia and the Kyrgyz republic.

The five work-related cultural value constructs were measured by using Hofstede's 1994 version of the Values Survey Module, VSM 94 (Hofstede, n.d.). The VSM 94 has been used extensively in the past and have known psychometric properties (Søndergaard, 1994). The instruments were obtained from the test author in the English and German versions and given to the U.S. and German participants in their native languages. The survey was conducted in Russian in Russia, Kazakhstan and the Kyrgyz Republic, and in Georgian in the Georgian Republic. The instrument was translated into Russian and Georgian by the representatives of the CSR. A back translation was made by independent translators. The translations were compared to the original sources to identify and correct errors that could have arisen from interpretation differences. A pilot survey was conducted with a sample of 100 employees of an experimental plant of the University of Moscow to identify potential problems with the interpretation of terms and concepts.

Since we were interested in country-level comparisons, the results reported in this manuscript are based on pooled country-level data. The country-level response rates ranged from 31% in Russia to 75% in Kyrgyz Republic, with the total number of usable responses at 4,065. To address the issue of possible response bias, chi-square comparisons were made between the demographic data on respondents and on all employees in a given company, obtained from the personnel departments. These comparisons showed no significant differences between survey respondents and non-respondents in the two job categories on key demographic variables. The overall percentage of male respondents was 68%, and higher than 70% in Georgia, Germany, and the US. The two US sites had a much older population with a modal age between 50 and 59 years, while the overall age bracket for the 6 countries was 30 to 39 years. Managers at the German and U.S. sites had a modal level of education comparable to a Master's degree, while non-managerial employees at the German site had a higher modal level of education than their U.S. counterparts. Overall, the educational levels of employees and managers in all four countries of the former USSR were high, with the majority of managers possessing a 5-year college degree or higher, and the majority of employees having at least a 2-year college degree.

Results

The scores for the five dimensions of culture, PDI, IND, MAS, UAI, and LTO were calculated based on the formulae provided by the test authors (Hofstede, n.d.) using weighted means of individual items and constants which result in a distribution ranging from 0 - 100, although higher or lower scores are possible (Hofstede, 1994). This allows for comparisons with previously published scores. The internal reliability for the entire instrument was $\rho = .88$, but the dimension of Uncertainty Avoidance fell short of the minimum required and was therefore excluded from the analyses. This dimension had shown poor internal reliability in previous studies (see, for example, Kuchinke, 1999; Yeh, 1988). The MAS scale also fell below the recommended value but was included in the analyses because it approximated the cut-off score. However, the low reliability coefficient of $\rho = .53$ for this dimension raises concerns about its factor structure, and this needs to be seen as a limitation to the study. While most of the culture scores were within the range of 0 - 100, several countries scored above or below. Power Distance scores, in particular, were negative for the four countries of the former Soviet Union, indicating very low levels of this dimension. Although direct comparisons with previously published country scores are not possible—Hofstede's dimensions are meaningful in comparing countries, not tracking change over time—several observations arise. In the original study of IBM employees in 39 countries (Hofstede, 1980), the US had ranked higher in PDI.
than Germany, in this study, the ranking was reversed. Hofstede's (1993) prediction of high PDI scores among Russian employees was not supported by this study. On the contrary, Russia and the three other former communist countries scored uniformly very low on this dimension. True to prediction and previous findings, the US led the list of countries in Individualism. All four countries of the former Soviet Union scored near the top on MAS. Russia and the Republic of Georgia showed higher levels of long-term orientation than the other four countries.

To answer the questions about country-level differences, a multivariate analysis of co-variance (MANCOVA) was conducted with Country as the independent variable and demographic information (age, gender, and education) as well as job category statistically controlled for. To correct for the heterogeneity of variances among the dimensions (a violation of assumptions for MANCOVA), the sample sizes for each country were equalized by selecting, at random, a sample of 392 from each of the six countries. Given equal sample sizes, as Bray and Maxwell (1985) point out, "all of the test statistics tend to be robust, unless the sample sizes are small" (p. 34). An omnibus MANCOVA showed significant differences (p < .001). Follow-up univariate analyses of covariance (ANCOVAs) using conservative Scheffe post-hoc tests showed these differences in more detail. To facilitate the description of the contrasts in culture dimensions, Table 2 also indicates which countries differ on each dimension. The four countries of the former Soviet Union had uniformly low levels of Power Distance compared to the US and Germany. These four countries also differed from their Western neighbors in terms of Masculinity. Levels of Individualism varied to a much lesser degree, with US employees showing the highest level.

Hofstede (1980; 1997) had pointed to the interaction effects of country and occupation and presented some initial evidence that occupational cultures, indeed, moderate country effects. In this study, the differences between managers and non-managers were assessed. Significant differences between both occupations groups were found for the entire sample and for each of the six countries. Overall, managers tended to be lower on PDI, more highly individualistic, subscribing to more masculine values, and were less oriented towards the long term. Individual countries, however, differed form the overall sample. For PDI, only Russia and Georgia showed differences between managers and non-managers; Russian managers tended to have lower PDI scores than non-managers, while Georgian managers ranked higher. In Russia, Kyrgyzstan, and the U.S., managers expressed more highly individualistic values. Masculinity differentiated the two occupational groups only in Georgia where managers subscribed to values that were oriented more towards caring and nurturing. Long-term orientation, finally, was found to differ between the two groups in Kazakhstan and Germany. In both countries, managers were less oriented towards the long-term than their subordinates. Cultural values are influenced by country, occupational, and demographic variables. To assess the relative strength of each, hierarchical regression analyses were conducted for each of the four culture dimensions as dependent and three sets of forced-entered independent variables: (1) country; (2) job category; and (3) age, gender, and education level. For each dimension, country membership emerged as the strongest predictor, explaining between 35% (LTO) and 46% (PDI) of variance. Job category emerged as a predictor only for IND and added very little to the variance. Age, gender, and education were significant predictors for all four dimensions, but here, too, their contributions to the variance in the dependent variables were small.

The final set of analyses addressed the effects of age, gender, and education and their interaction on cultural values. Univariate analyses were conducted for each of the four dimensions of culture and the three demographic variables as independent variables, holding job category constant. The relationship between PDI and Education was curvilinear, with employees with a bachelor's degree being more highly accepting of an inequality of access to power than employees with higher or lower levels of education. Female employees scored significantly lower on the dimension than their male counterparts. Education levels also influenced IND, and here, too, the relationship was curvilinear: employees with high school education ranked much lower on this dimension than those without it and those with a bachelor's degree or higher. There was also an interaction effect between gender and age: male employees aged 40 or younger showed markedly higher levels of IND than their female peers, but males of age 41 or older scored lower than their female colleagues of similar age. For MAS, there was a monotonous increase in masculine values associated with age. For LTO, finally, the distributions by age and education levels were bimodal. Employees between 31 and 40 and those between 51 and 60 were less inclined to orient themselves toward the long-term than the other age brackets. Similarly, employees with a high school diploma and those with a master's degree as the highest level of education scored higher on this dimension (indicating lower levels of long-term orientation) than employees who did not graduate from high school or had attained a bachelor's degree.

Implications, Limitations, and Future Research Directions

Related to country-level comparisons, this study found significant differences to Hofstede's data on work values on some dimensions. Hofstede's (1984; 1997) data had indicated that both the US and Germany had low PDI, high IND, relatively high MAS, and low LTO. Our data confirmed the Hofstede results on IND, PDI, and LTO.
However, our findings differed from Hofstede's results on MAS: for our sample, this index has migrated into the low category. A comparison of our data with findings by Rotondo et al. (1997) suggests that this observations may not be due to idiosyncrasies of our specific sample: our results are consistent with Rotondo et al. (1997) findings on PDI, IND, and MAS. Both Rotondo et al. and our findings on MAS could be indicative of a generational shift in work related values, away from assertiveness, materialism, and separation of women's and men's roles towards more nurturing atmosphere and conditions under which women increasingly gain positions of power and influence in the society.

Our study has also found significant differences with most of previously published scores for Russia. First, although previous studies have found high levels of PDI in Russian managers and employees (Bollinger, 1994; Naumov, 1996; Elenkov, 1998), we (and earlier Rotondo et al., 1997) have found low PDI scores for Russian respondents.

Regarding MAS, the study findings were in contrast with Hofstede's (1993) predictions on Russia, and earlier findings by Bollinger (1994) and Naumov (1996) who argued that Russian managers ranked low on MAS. In this study, Russian managers and employees had high levels of MAS. Again, our results were consistent with the Rotondo et al. (1997) findings. The same high MAS scores were obtained for the other three countries of the former USSR. Among potential explanations for these results on MAS is, first, a possibility that a separation between men and women, characteristic of more traditional societies, is still significant in these four countries. At the same time, the MAS dimension is not just describing the gender role differences. Hofstede (1997) indicates that in highly masculine countries, such as many Latin American and Mediterranean nations, achievement, ambition, and possession are valued highly, and there is a greater centrality of work in the lives of individuals along with higher levels of work stress. Therefore, a high level of MAS in countries of the former USSR could be related to difficulties of the economic transition, which, among other things, put a much stronger emphasis on achieving material well-being, high status, and assertiveness in business transactions (see, e.g., Kabalina, 1997; Schreibman, 1998), than is the case in more stable market economies.

The six countries differed less on the dimension of Individualism. While the US was found to be highest, this sample showed Individualism in four of the remaining five countries to be equal and quite high. High levels of the Individualism dimension are associated with an orientation to the Self rather than the community, an emphasis on individual initiative and decisions, identity anchored in the individual rather than the collective, and the norms of autonomy, variety, and pleasure as opposed to order, duty, and security. It is possible that an increase in IND in the former Soviet Union could be traced back to the changes in environmental factors, especially the disappearance of guaranteed life-long employment, a drastic reduction in benefits and services provided by the state, and an increased need for reliance on individual strengths, talents, and hard work. This finding calls into question recent analysis by Kets De Vries, who argued that the “democratic centralism that lay so central at the heart of communism” (Kets De Vries, 2000, p. 76) remains, in fact, a distinguishing characteristic of Russia today.

One of the important implications of this study is that some cultural values might be rooted deeper in culture's fabric and therefore could be less malleable than others. For instance, PDI and MAS scores for the US, Germany, and Russia were substantially different from the earlier reported levels, whereas IND and LTO were closer to the earlier reported or predicted scores. These findings offer a support for an observation made by McGrath et al. (1992) that some cultural values (e.g., PDI) are more malleable than others (e.g., IND). Thus, our study seems to provide support for Rotondo et al.'s (1997) conclusion that although a nation's work-related values reveal deep-seated preferences for certain end states, they are subject to change over time as external environmental changes shape the society's fabric. A practical implication of this finding for managers, researchers, and training professionals is that they should use caution in using work-related value classifications in their work. Instead of relying on previously generated scores, they may need to conduct specific assessments of work-related values for each individual organization they are working with.

Regarding the impact of demographic factors, our study concluded that nationality emerged as the most important predictor of all four work-related values while job classification or demographic characteristics accounted for very little in the variance of each work-related value. This finding speaks to the important role of nationality in culture, despite the fact that recent writing (e.g., Triandis, 1995) questioned the centrality of nationality for determining cultural values.

The study suggests that grouping countries based on cultural, geographic, or religious proximity could be questionable. For example, one could expect that Kazakhstan and the Kyrgyz republic, being closer to one another in terms of geographic location, religion and language, than to Russia and Georgia, would form a homogenous subset, and would differ from the other two republics of the former USSR. However, on all four socio-cultural dimensions, either one or both of the first two countries were aligned with Russia and/or Georgia. This suggests that any attempts to develop strategies, policies, or training programs for the former SU, or to conduct organization
development interventions based on Western theories, should be tailored to each country's specificity, and the former SU republics should not be treated as homogenous in their work cultures.

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Valuing the Employment Brand: Attracting Talent that Fits

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Employment branding benefits both individuals and organizations. It functions as a recruiting tool in a competitive labor market and communicates the organization’s values and work environment to potential applicants. Individuals may be more or less attracted to an organization depending on their type of career anchor and the extent to which their personal work values are similar to those of the organization. Specific propositions of this developing concept are discussed.

Keywords: Employment Brand, Recruiting, Work Values

Attracting and retaining top talent are two of the biggest challenges facing organizations today. Not only because of the decreasing size of the workforce but also because of the increased competition for the same talent pool. There are a number of trends that threaten a wide-ranging shortage in talent. Until this point, the executive population has grown more or less in line with the GDP. Today’s reality is that the size of the workforce is decreasing. Baby boomers are beginning to retire in large numbers and the cohort group moving in to take their place, the 35-44 year-olds in the U.S., will decrease by 15% between 2000 and 2015. A survey of over 6,000 corporate executives revealed that 75% said their companies had insufficient human resources and that this talent shortage was hindering their ability for continued growth (Chambers, Handfield-Jones & Michaels, 1998). Compounding the labor shortage problem is an increase in competition for workers. A booming economy has given rise to a large number of small and medium-sized companies. These companies are targeting the same people as the larger firms and are proving to be fierce competition because of their greater opportunity for impact and wealth. Added to this equation is the Department of Labor’s prediction that the number of white-collar jobs will increase over the coming years.

Once new talent has been brought into the organization, the challenge becomes one of employee retention. Turnover is a frustrating and expensive problem and costs industry an estimated $11 billion per year. The cost of replacing an individual can be greater than 100% of an individual’s salary if extensive recruiting and relocation are involved (Singer & Fleming, 1997).

Companies are making major financial investments to attract talent and there has been an almost single-minded focus on recruiting by top organizations (Chambers et al., 1998). With technological advances, the manner in which organizations need to recruit candidates has undergone significant changes. Gone are the days when a company could easily control its image in the labor market. Company information is more easily accessible than ever before, with most of it coming from external sources (e.g., press releases, stock prices, analyst reports, Fortune 500 report, Wet Feet Press, etc.). Because of this, organizations need to be more vigilant in managing their employer image. If they do not, the competition will do it for them.

Organizational Identification

Employer image is important because it provides an identity which functions as an attractor for potential job applicants. Based on Tajfel’s (1978, 1981) social identity theory (SIT), social identification is the perception of membership to some human collective or group. Some principles of social identification are relevant in explaining why individuals identify with organizations and their subsequent attraction to them. The first is that identification is a perceptual cognition not necessarily related to any behaviors or affective states and the second is that individuals personally experience the successes and failures of the group (Foote, 1951). This means that an individual does not necessarily need extensive contact with an organization to feel identified with it. In feeling this sense of identification, an organization’s successes and failures can be personally experienced by the individual. Social identity theory maintains that identifying with specific social categories, such as an organization, enhances one’s self-esteem (Tajfel, 1978).

Self-continuity is one of the principles of self-definition that explains both the attractiveness of an organizational image and why it increases identification (Dutton, Dukerich & Harquail, 1994). Steele (1998) maintains that individuals want to preserve the stability of their self-concepts over time and in different situations.

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This stability is either augmented or diminished depending on the individual's perception of his or her organization's identity. Dutton et al. (1994) state that when an individual perceives an organization's identity to be similar to his or her self-concept, it enhances the stability of the self-concept and can strengthen the person's identification with the organization by making the perceived organizational identity more attractive. The first reason for this is that when organizational identity corresponds with one's self-concept, it is easier to process and understand information. People pay attention to and process information pertaining to the self more easily than they process "self-irrelevant" information (Markus & Wurf, 1987). Thus, an organizational identity that matches the self may make that organization more attractive. The second reason for the increased attraction is that there are easier opportunities for self-expression when a person's self-concept and an organization's identity are similar (Shamir, 1991). Super's (1957) self-concept theory posits that people attempt to actualize the skills, talents and interests reflective of their self-concept by means of their career choice. They actively seek a work environment that is similar to their goals, interests and skills (Holland, 1996; Super, 1988). It follows that individuals will be more attracted to an organization where they feel the freedom to show more of their true selves and can behave in ways that are characteristic of themselves and their values. This is because maintaining the integrity of the self and being internally consistent is important to people (Steele, 1998). Behaving consistently means acting in ways that are authentic and reflect one's personality characteristics and values (Gecas, 1982).

In evaluating organizations for possible employment, job seekers usually have limited information (Rynes, 1991). Because it is difficult to obtain adequate information about the numerous aspects of a job before joining an organization, job seekers will use whatever information is available. Several studies on applicant attraction to firms have found that the amount of information provided positively influences attraction to the organization (e.g., Rynes & Miller, 1983). Individuals may use employer image as additional information in evaluating an organization and the components of the job. Just as consumers use brand images as signals about the quality of a product (Shapiro, 1983), applicants use employer images as signals about job characteristics.

Person-Organization Fit

Person-organization fit is defined as the congruence between patterns of organizational values and patterns of individual values. It is about what an individual values in an organization, such as being a meritocracy (Chatman, 1989). Person-organization fit focuses on the interaction between the organizational values and the individual's values and how it affects the person's behaviors and attitudes. There is a tendency for people to choose situations and to perform better when organizational values match their own (Schneider, 1987). When people do not fit their environment they are more likely to leave the organization (Pervin & Rubin, 1967).

An individual's employing organization is an important aspect of his or her social identity (Ashforth & Mael, 1989). When a person joins an organization, it makes a statement about the person's values (Popovich & Wanous, 1982). Values are conceptualized as relatively stable individual characteristics, over which organizational socialization is unlikely to have much influence (Lusk & Oliver, 1974). Research on work values is based on the premise that they are derived from people's basic value systems (George & Jones, 1997). A value system is "an enduring organization of beliefs concerning preferable modes of conduct or end-states of existence along a continuum of relative importance" (Rokeach, 1973, p. 5). Values are important because they guide behavior and provide individuals with criteria against which to characterize their work experiences (Lewin, 1951). Work values are a fundamental aspect of the work experience because they define the meaning that people derive from work, jobs and other organizational experiences (James & James, 1989). Values also function as abstract and relative evaluative standards by which people identify opportunities that will allow them to behave in their preferred modes of conduct (Rokeach, 1973). This would include making judgments about organizations as potential employers and the extent to which individuals would be able to behave in accordance with their values. Research conducted by Meir and Hasson (1982) found that when an individual's values match the values of a particular organization, the individual will be happier and is more likely to maintain an association with that organization.

Research on the effects of work values and job choice decisions demonstrates that individuals are more likely to choose jobs whose value content is similar to their own value orientation (Judge & Bretz, 1992). This suggests that the applicant's perception of the attractiveness of an organization may depend on the values that are emphasized within the organization. This is because a need for congruence causes people to seek consistency and integration among the different elements of their self-concept and making choices about what is really important is a way to maintain this self-consistency. These values constitute a major part of an individual's self-concept and have been identified as instrumental and terminal values (Rokeach, 1973). Instrumental values are preferred modes of conduct and include values such as competence, sociality and integrity. Terminal values are preferred end states of being and include values such as personal gratification, self-actualization and security.
Schein (1990) says that dominant themes emerge for each person in the form of critical skills or abilities the person wants to employ or critical needs or values that govern one's orientation towards life. As time goes on, the self-concept begins to act as a guidance system and as an "anchor" that constrains career choices. He defines the career anchor as part of one's stable self-image and is "the one element in a person's self-concept that he or she will not give up, even in the face of difficult choices" (p. 18). The concept arose from a longitudinal study (Schein, 1978) about the key career choices and events of participants and why they had made certain choices. The reasons for the responses and the pattern of participants' feelings in making these choices were consistent although the career events and changes themselves were very different. Participants referred to being "pulled back to something that fitted better" when they tried a job that did not feel right to them (Schein, 1990, p. 20). This research, along with the interviews of several hundred people in different career stages, led to the development of eight career anchor categories. The career anchors are listed below along with a brief description of each:

**Technical / Functional Competence.** The exercise of their talent and the satisfaction of knowing they are experts is of supreme importance to this group. These people build a sense of identity around the technical or functional areas in which they are succeeding and they demand maximum autonomy in achieving organizational goals. Challenging work is the most important characteristic of their work.

**General Managerial Competence** – Key motives and values for these people are corporate advancement to higher levels of responsibility, opportunities for leadership and contributions to the success of the organization. Their work and their role in the organization must reflect this.

**Autonomy / Independence** – Regardless of the type of work, this group of people has an overriding need to do things in their own way, at their own pace and against their own standards. They cannot stand to be constrained by other people's rules, procedures, working hours and other norms. This type prefers clearly bounded work within his or her area of expertise.

**Security / Stability** – These people have an overriding need to organize their careers so that they feel safe and secure and so that future events are predictable. Jobs that require steady, predictable performance are preferred and the context of the work is more important than the nature of the work itself.

**Entrepreneurial Creativity** – People with this anchor have an overriding need to create new businesses of their own by developing new products or services, by building new organizations or by taking over existing businesses and reshaping them. The need to create is an obsession and there is a tendency to become easily bored, such that they constantly require new work challenges.

**Sense of Service, Dedication to a Cause** – These people are more concerned with central values they want to embody in their work. They are oriented more towards these values than toward actual talents or areas of competence involved. Career decisions are usually based on the desire to improve the world in some way. Being able to perform work that influences organizations or social policies in the direction of their values is important.

**Pure Challenge** – Some people anchor their careers in the perception that they can conquer anything or anybody. They define success as overcoming impossible obstacles, solving unsolvable problems or winning out over tough opponents. They seek increasingly difficult challenges and do not seem to care in what area the problem occurs.

**Lifestyle** – People who organize their existence around lifestyle are, in one sense, saying their careers are less important to them and, therefore, that they do not have a career anchor. This category is included because a growing number of people who are highly motivated toward meaningful careers are adding the condition that the career must be integrated with total lifestyle. (Schein, 1990, pp. 20-32)

These anchors have been found within a variety of occupations, such that people with different anchors can be found in the same occupation. For example, two marketing managers may have completely different career anchors, which suggest they may be attracted to work environments that espouse different value systems and have different organizational attributes.

Applicant perceptions of job and organizational attributes (compensation, work environment and type of work) have a positive direct effect on attraction to firms (Powell, 1984). Past research has shown that pay and advancement opportunities are important attributes in the job choice process (Feldman & Arnold, 1978; Rynes et al., 1983). The work of Judge et al. (1992) examined these two variables along with organizational values as influences on job choice decisions and found that pay and advancement opportunities were less important than values. Their research suggests that organizational work values are a major factor in job seekers' decisions when information about an organizational value system is available. This information is important to individuals in choosing between organizations and, by providing it, organizations may be able to increase the chances of person-organization fit. Judge et al. (1992) commented that job matching based on value congruence may function when the values are
salient, but it may be that the organization’s value orientation is not often known to job seekers. The point is that
work values can only have an effect on job choice decisions when they are made available. Therefore, it would
behave organizations to consider the messages they convey in their advertising and in their recruiting processes
because the accuracy of this information may have implications for applicant attraction.

Employment Branding

Organizational identity is comprised of a shared understanding of the central and unique characteristics of the
organization, which can be manifested in qualities such as values and beliefs, mission, structures and processes, and
organizational climate (Albert & Whetten, 1985). The SIT literature suggests that the degree to which an
organization can differentiate itself from others by providing a unique identity is a way to increase identification.
Cable and Turban (2000) demonstrated that recruitment image is positively related to job seekers’ evaluations of job
characteristics, thus applicants use employer images as signals about job characteristics. An organization can
provide persuasive signals about what it represents by influencing a variety of symbols (Pondy, Frost, Morgan &
Dandridge, 1983). Some of these signals include the message the organization transmits to the labor market, the
images used to visually represent its message and the vehicles to disseminate the message.

Because of increased competition and the current labor shortage, companies that do not distinguish
themselves from their competitors are at a significant disadvantage when it comes to recruiting top people. The
question is how a company distinguishes itself from its competitors. The answer lies in “employment branding” –
the process of identifying what is unique about a company and marketing it to a target population. Branding has
traditionally been used to refer to the process of marketing products. The lessons and principles of product
marketing can be used to build and manage an employment brand. Employment branding is the establishment and
cultivation of a substantive and unique impression in the minds of target applicants (Buss, 1988). It is a process that
enables an organization to define and articulate its distinctive employment proposition relative to the competition.
Comprised of the package of functional, economic and psychological benefits identified with the employing
company (CLC, 1998), a brand is basically a promise to applicants regarding what it will be like to work for a
company. The end game is to ensure that applicants have a clear perception of a company’s employment value
proposition. In developing a brand, a company is essentially building an ownable position in the marketplace that
will provide it with a real competitive advantage in attracting talent to the organization. The relationship between the
company and its applicants is based on trust and loyalty generated by consistent delivery of the brand promise
(Kahler Holliday, 1997). A company creates its brand over time with strong consistent positioning, packaging and
performance. Organizations see the branding of their employment offer as similar to the branding of a product in the
marketplace. In this case, the labor market.

The employment brand is comprised of a number of attributes, each of which contributes to the strength of
the brand. There are 12 dimensions that constitute the overall employment offer (Clemson, 1998): reward system;
post employment; external reputation and awareness; policy and values; fairness and cooperation; corporate culture;
communication; recruitment and induction; performance management; development; work environment; vision and
leadership.

These twelve factors are taken into consideration in developing the employment brand. Branding is a
process built from internal and external strengths as well as job applicant perceptions. If a company does not know
its benefits and weaknesses from an employment perspective, the brand will not be based on reality. And if the
brand is not based on reality it will not deliver on its promise to applicants. Therefore, in order to be effective, the
employment brand must be based on research. Branding is the end point, not the starting point, of the process
(Kahler Holliday, 1997).

Key Propositions of Employment Branding

Proposition 1: Knowing the target audience results in a more effective employment brand. A critical error
in branding is to assume that the employment brand can be presented the same way to all target audiences. Brand
campaigns do not always work and one of the reasons is because the brand may not “involve” the applicant.
Involvement is a major concept in the marketing literature that describes consumer behavior and refers to the degree
of personal relevance (Peter & Olson, 1987). Personal relevance is the extent to which an individual perceives the
brand as helping to achieve consequences and values of importance to the individual. The more important and
central these desired consequences and values, the higher the consumer’s level of personal involvement (Peter et al.,
1987). This being said, the brand has to be relevant to what the job applicant is seeking. The marketing of the brand
is based on the values and needs of the target market. It is necessary to craft a message that is tailored to the types of
Applicants the company is trying to attract. Depending on who the target audience is the brand can then be targeted at the interaction between those characteristics that the company possesses and the characteristics sought by job applicants.

Proposition 2: Analyzing a company’s employment offer results in a brand that better meets applicants’ expectations. The marketing of a brand is, essentially, making a promise to the applicant that his or her experience will match what is being marketed. Employment branding is not about identifying the target group and then changing the brand content to become something the target applicant wants. It is about identifying what the company has to offer, letting the labor force applicants know about it and then figuratively asking the applicant if he or she is interested in being a part of that organization. In order for this to happen, branding needs to be based on solid research. Conducting internal surveys, focus groups and one-on-one interviews is the first step. This is the best way to insure that the process is data-based and will help to begin articulating the company’s employment offer. The second step is to conduct focus groups of recent campus hires in the organization to find out the employment value proposition being offered. This group is still new enough to the organization to be able to describe the culture. The third step is to conduct individual interviews with recent hires and past graduate summer interns to get additional in-depth information. Experienced hires are interviewed to determine what a longer-term career with the company may look like and how to market this to prospective applicants. The fourth step is to obtain any existing survey data that may be available, such as a values survey or employee attitude survey.

A summary of the findings across the sources is compiled to develop a list of common themes that will begin to articulate the attributes of a company’s employment offer. The themes are used to develop a tag line and supporting message that encapsulate the employment brand. The brand will enlighten applicants as to how the company is different and will communicate the subtle aspects (e.g., culture, values, quality of coworkers) of what it is like to work there. The tag line should be strong to convey something fundamental about the organization to the job applicant. Different functions or departments of the organization should be able to use the tag line and feel it is relevant. It should be vague enough to allow a number of different interpretations in order to have universal appeal.

Proposition 3: Targeting the employment brand to meet applicants’ needs and values increases the value of the brand. Applicants evaluate brands in terms of the needs they meet and the values they help satisfy. Because of limitations in cognitive processing, applicants cannot consider each and every attribute of an employment brand when making a job choice decision. For this reason it is important to identify the attributes that are most important to applicants, how information about these attributes is remembered and how the brand rates on each of the attributes. Applicants, essentially consumers in the labor market, have different perspectives on the benefits and risks of joining a particular organization. Organizations can subdivide their target applicant pool based on the types of benefits that each group perceives the organization to have (i.e., any of the attributes or combination of attributes that comprise the brand). By increasing or decreasing the salience of brand attributes, a company can make its brand more appealing to certain subgroups of job applicants.

Proposition 4: Analyzing competitors’ employment offers results in a more effective employment brand. Job applicants have a range of options in choosing an organization as an employer. Among these options are a number of alternatives, including type of organization (e.g., non-profit, government, corporate), industry (e.g., investment banking, consumer product, pharmaceutical) as well as the type of company within a chosen industry (e.g., Pfizer, Merck, Eli Lilly). Given their limited time, energy and cognitive capacity, applicants usually only consider a subset of organizations within this almost endless range of alternatives. This subset, known as a consideration set, is comprised of organizations with which the applicant is already familiar as well as organizations that the applicant has found accidentally or through intentional search (Peter et al., 1987). In the consideration set, awareness of some of the organizations may be activated directly from memory. If an applicant feels that he or she is already aware of the important choice alternatives, the applicant is unlikely to search any further. Therefore, an organization must be included in the consideration set of at least some applicants in order to be successful in its talent attraction efforts. Employment branding is a strategy that increases the likelihood that the organization will be activated in an applicant’s memory and included in his or her consideration set.

It is difficult for companies to stake out a unique niche in the marketplace if they do not know what their competitors are offering. Competing employment offers should be analyzed to understand what is being offered to job applicants and how it differs from an organization’s own offer. This is especially important because competitors have upgraded their offers so that past differentiators, such as salary and perks, are no longer strong draws—they are the cost of entry into the labor market. The brand will show applicants how the company is different and will communicate the subtle aspects (e.g., culture, values, quality of coworkers) of what it is like to work there.
Competitors must be constantly monitored because branding is not a static process. Other organizations can use their messages to reduce the effect of their competitors' brand value.

**Proposition 5:** Proper “packaging” is critical to the success of the employment brand. Organizations should view the packaging of their employment brand in the same manner in which they package their products or services. Part of the branding process consists of using a logo, tag line and supporting visuals to reflect the company’s message. The packaging should be consistent across marketing materials (e.g., web site, brochures) in order to build and reinforce the brand. An applicant’s contact with the company also influences the brand. The brand message should be visible in every point of contact with the applicant – from initial communication to final round interviews. If an applicant sees that the company does not “live its brand” in any of these interactions, the integrity of the company’s message will be questioned.

**Proposition 6:** Proper marketing is critical to the success of the employment brand. Although the attributes of the employment brand account for its success or failure, the quality of the marketing strategy is also critical. At times, the image of the brand is the only relative advantage an organization has to offer. Within a specific industry, the employment brands offered are relatively equal in their functional utility to the applicant (i.e., in terms of being employed and fairly compensated). In order to heighten the differentiation from competitors, a favorable image is created through other elements of the marketing mix. Promotion is commonly used because it informs applicants as to what employment attributes they should be seeking and emphasizes the superiority of its brand in terms of those attributes. A number of distribution tactics can also be employed to gain an advantage over competitors. This can include mailed brochures, the type of magazines in which the organization advertises and the offerings on the company’s web site.

**Proposition 7:** The effectiveness of the employment brand can be measured. If a brand is the aggregate of a company’s promise, the job applicant’s experience and the company’s reputation, then it must be managed as conscientiously as the company’s sales figures. By isolating and quantifying the elements of the brand, a company can track its recruiting efforts and strategize accordingly. Tracking studies of potential applicants’ attitudes can help a company measure the effectiveness of the brand. By measuring the effect of the brand on its hiring numbers, a company can measure its return on investment. Measurement may include campus image surveys, company web site surveys, charting increases in applicant resumes or increases in hiring numbers. Measurement will also help identify any misperceptions and allow the company to revise the brand in order to correct them.

**Proposition 8:** Applicants’ attitudes can be changed to perceive the employment brand more favorably. The strength of a brand is grounded in its constancy and repetition. Because of this, it is not advisable to frequently change the employment brand. In order to make the brand more effective, strategies can be devised to change applicant attitudes. There are three strategies that can help change attitudes: (a) add a new positive salient belief about the attitude object; (b) increase the strength of an existing positive belief; or (c) increase the evaluation of a strongly held belief (Lutz, 1975).

The most common attitude-change strategy is to add a new salient belief to the existing beliefs that an applicant has about the organization. This may entail adding a new attribute to the brand. Ideally the attribute would be one that tracking studies have shown to be of growing importance to applicants (e.g., work/life balance). Not only does this add another positive dimension to the brand, but it also addresses changing applicant needs. Changing the strength of already salient beliefs is another way that attitudes can be changed. This includes attempting to strengthen beliefs about positive attributes or weaken beliefs about negative attributes. Tracking studies are again useful in identifying the strengths and weaknesses of an organization’s employment attributes. The third way to try and change attitudes is by changing the evaluative aspect of an existing, strongly held belief about a salient attribute. This entails linking a more positive, higher-ordered consequence to that attribute. An example is if the perception of entry-level compensation at an organization is viewed somewhat negatively. In the employment brand, the organization could emphasize its focus on development and link it to more rapid advancement in the organization, which leads to faster increases in pay than its competitors. These three strategies can be effective in changing applicants’ attitudes to perceive the brand more favorably.

**Conclusion**

Employment branding benefits both the organization and the individual. By attracting applicants that fit the organization’s work environment, a number of other benefits may be realized. Locke (1976) suggests that job
satisfaction is related to the extent that one's work environment allows or encourages the attainment of one's values. Research shows support for the relationship between value congruence and job satisfaction and organizational commitment (Meglino, Ravlin & Adkins, 1989). Better person-organization fit should also reduce turnover. In one study, O'Reilly and Chatman (1986) found that people who were attracted to an organization based on value congruence indicated high intentions to stay with the organization. In another study, Chatman (1991) found that a strong fit between organizational values and individuals' values predicted employee satisfaction and intent to stay with the organization a year later. Congruence between individual and organizational values has also been linked to a higher likelihood of organization citizenship behavior (O'Reilly et al., 1986).

Employment branding can function as a recruiting tool that establishes a clear idea in the minds of job applicants as to what an organization is, what it stands for, and what it will provide for them. Just like traditional product marketing, the employment offer must meet applicant preferences, be differentiated from competing offers and have a strong reputation. Branding involves the creation of an indelible impression on job applicants through branded interactions with them. The impression is meant to be lasting and can build loyalty to a particular company when an applicant is evaluating his or her employment offers. A strong employment brand can be key to attracting talent in a competitive labor market. It is a way for companies to stand out from their competitors and can serve as a symbol that attracts immediate attention in the job market. Creating a brand requires a balance of applicant perceptions and wants, current company employment strengths and potential positionings within the competitive labor market. Building a brand now will ensure a stronger labor market position in the future.

Companies spend substantial effort to market their products but not nearly enough on marketing the company to prospective employees. Branding dollars need to be looked at as an investment in the future of the company and in the value of the employment brand. The aspects of the company that affect the brand need to be integrated in order to work together and deliver on the brand’s promise to applicants.

The concept of employment branding is still in the development stage. A more complete conceptual framework needs to be constructed in order to understand how the process operates. Companies can then use this strategic tool to distinguish themselves from competitors, polish their employer image and attract a better fit of talent to their organization.

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