Reflections on Leadership, Coaching and Values:
A framework for understanding the consequences of value congruence and incongruence in organizations and a call to enhance value alignment[1]

הרהורים על מנהיגות, אימון וערכים : מסגרת מושגית להבנת ההשלכות של הלימה ואי הלימה של ערכים בארגונים וקריאה להגברת ההלימה

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תקציר

תחילתו של המאמר הנוכחי בטיעון, הגורס, שהגורמים העיקריים להתנהגות במקום העבודה הם ערכי הליבה של העובדים. ערכים מסבירים את השונות בהתנהגויות עובדים במידה רבה יותר ממה שהיה מקובל לחשוב עד כה וזאת בהתייחס למגוון רחב של משתנים כצרכים או עמדות. למרות זאת, השפעת ערכים הן על התנהגויות הפרט בארגון והן על תוצאות ארגוניות לא נחקרה באופן מספק ולא נתמכה אמפירית. קיים צורך בהגדרת כלים מושגיים בהירים רלוונטיים ומתוקפים הן מבחינה מושגית הן מבחינה מתודולוגית בכדי לסייע למנהיגים המבקשים להגדיל באמצעות ערכים את התוצאות החיוביות בעולם העבודה. שפיכת אור רבה יותר על חשיבות ערכים בארגונים יכולה לסייע למנהיגים המחפשים תפיסות אסטרטגיות וכלים יישומיים לניהול אנשים באופן טוב יותר במאה ה- 21

המאמר הנוכחי מתאר את התפתחות מושג הערכים ומציע מסגרת מושגית להבין אותו. מוצגים בו מדדים וכלים רלוונטיים למדידת ערכים, ומסקנות מפתח לגבי ההשפעה של התאמה (אי התאמה) של ערכים על אינדיקטורים כיצרנות וצמיחה הן ברמת הפרט והן ברמה הארגונית. במאמר מוצגת מסגרת אינטגרטיבית המתבססת על סקירת הגורמים העיקריים והשפעתם, דיון בפרספקטיבות התיאורטיות הבסיסיות והדגשת כיוונים עתידיים. לסיכום, נדונות ההשלכות של ערכים על מנהיגות אפקטיבית ומוצעים תכנית פעולה וכיווני מחקר עתידיים.

Abstract

The paper begins with the argument that the principal determinant of behavior in the workplace is the core values of the employees. Values explain more variance than previously thought in a variety of consequences of constructs such as needs or attitudes. Nonetheless, the construct of values and their causal links with both individual and organizational consequences have been neither sufficiently studied nor empirically supported; clear, relevant and validated conceptual and methodological tools are missing in order to render the concept of values truly instrumental to leaders who wish to enhance positive work-related

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consequences. Shedding light on the latter can be of great help to leaders who are desperately looking for strategic concepts and tools to manage people better in the 21st century.

The paper traces the genesis of values, proposes a conceptual framework to understand them, offers new and innovative metrics and relevant tools to measure them, and provides several key conclusions in showing the impact of value congruence (and incongruence) on indicators of productivity and well-being at the individual and organizational levels. By reviewing related antecedents and outcomes, discussing underlying theoretical perspectives, and highlighting future directions, this paper integrates value congruence research into a comprehensive framework. Implications for effective leadership are discussed and an agenda for future action as well as research is proposed.

Introduction

In today's increasingly globalized, chaotic, and changing world, the main role of a leader in an organization is to motivate and inspire people to create, innovate, and contribute their greatest potential to their work and respective organizations, as well as their respective selves. The best leaders know that achieving this requires more than developing strategies, performance objectives, or compensation plans—it requires developing organizational cultures based on shared values. Values represent the nucleus of an organization, the DNA of its culture, and they underlie individual, group, and organizational behavior (Dolan et al, 2006; Dolan, 2011). We argue that all meaning and behavior, therefore, orbit around values.

In the past, progress was primarily determined by the ability of a person, organization, or society to become bigger, richer, or faster, which translated into achieving economic values. This addiction to growth, however, has become unsustainable for many organizations. As organizations have grown, they have inevitably become more complex. The traditional response has been to put processes, rules, and structures in place to manage that complexity. The consequence has been a dehumanization of the organizational environment that has reduced employees from being trusted agents to automated units, limiting freedom to innovate and create and support positive change (Raich & Dolan, 2008; Raich, Eisler & Dolan, 2014).

In earlier writings, we have explained that harmonizing the beliefs and values of the owners, employees, and other stakeholders of a company is a vital source of competitive and cooperative advantage. We have recommended that leaders humanize their strategic vision, develop and implement "values-based cultures" and lead organizational cultural reengineering programs to create a shared culture of value creation that implicitly and explicitly guides the daily activities of employees at all levels and in all functions. To do this, we have argued that leaders need to develop core values that correspond to a tri-axial configuration depicted with three axes: the economic-pragmatic, the ethical-social, and the

emotional-developmental (Dolan, 2015a). The three axes represent a total sum of the values and are relatively orthogonal. This means that if one axis is dominant, others are by definition less dominant. The intersections between the axes represent concepts such as "survival", "sensitivity" and "innovation". Despite the asymmetric nature of this configuration in practice, it has often been suggested that if it is congruent or aligned with the organizational mission and vision it leads to many positive and sustainable organizational consequences (Brillo et al., 2015).

Cultural models and values are nothing new; they have been studied since the 1970s. Once considered "too soft" to be a leadership resource, values have now been accepted as the basis of organizational identity and a fundamental principle of an organization's strategy. Although the perspective of a tri-axial model of values is fairly new, more and more companies are now using it to change or sustain their organizational culture (Dolan, 2011). The extent to which leaders are capable of applying this configuration of values in an organizational context is reflected in the effectiveness of their leadership (Dolan, 2015b). Their secret for cultural reengineering is to align the organization's core values (as depicted in their own tri-axial model of values) with its vision and mission statement while also creating alignment in the purpose and behaviors of all its members and stakeholders. Such a cultural change process is very challenging and complex, demanding what in the past we would have called "transformational leaders"—meaning leaders who hold a noble ethos and lead from ethics and values, while also inspiring everyone in the organization to reach for this ethos (Burns, 1978). But, the key question remains, what is the alternative? What happens if values are misaligned or incongruent? How does it affect the productivity and well-being of all stakeholders including the leaders themselves, the followers and other employees in the organization? The remainder of this paper will focus on these key questions.

Value congruence and value incongruence revisited

Hoffman & Woehr (2006) and Verquer et al. (2003) conclude that while value congruence is a prolific field of research and has been studied from various angles, all in all, it shows positive effects on employee attitudes and behaviors. Value congruence has been studied from angles such as staffing and socialization (e.g., Cable & Judge, 1997), job attitudes and performance (e.g., O'Reilly, Chatman, & Caldwell, 1991), and leadership (e.g., Brown & Trevino, 2006). Despite the abundant findings reported in the literature, one has to admit that given the different methodological treatments and various theoretical perspectives, it is very difficult to both measure it and compare the results (Arthur, Bell, Villado, & Doverspike, 2006; Edwards, Cooper, & Robertson, 1991; Hoffman & Woehr, 2006; Kristof-Brown et al., 2005; Kristof, 1996; Meglino & Ravlin, 1998; Piasentin & Chapman, 2006; Verquer et al., 2003).

Nonetheless, extrapolating from previous published research (i.e. Ostroff et al., 2005; Piasentin & Chapman, 2006), some conclusions can be advanced:

- First, that value congruence can be viewed from a multi-type, multi-level, and multi-dimensional base.

- Second, many studies in the field of psychology and management have used value congruence as synonymous with the concept of value fit: "person-person and person-group or person-job/organization fit" (e.g., Arthur et al., 2006; Hoffman & Woehr, 2006; Kristof-Brown et al., 2005; Kristof, 1996; Verquer et al., 2003).

- Third, a host of studies connect values and especially the notion of value incongruence with the social-psychological construct of "dissonance" or more specifically "cognitive dissonance" (Festinger, 1957, 1959 & 1964). The latter refers to a situation involving conflicting attitudes, beliefs, values or behaviors. The theory proposes that this is not sustainable as it might produce abnormal behavior or even diseases and thus this feeling of discomfort eventually leads a person to alter some of his/her attitudes, beliefs or behaviors in order to restore balance.

In this paper we will review these concepts and propose an integrative framework. Perhaps the most significant contribution of this paper is the proposed typology, which shows a different angle from those of the many other previously published reviews.

Shedding light on the genesis of values

Values are predispositions to our behavior; they are associated with beliefs and norms. Thus if we can understand our values, organize them in a coherent logic (a logic that makes sense to us), and align them with our goals (life, work, family, and so on), we can get closer to the state of utopia known as optimal well-being. To begin to create a model for this, let us briefly discuss the multi-dimensional core element that is represented in the construct of values.

A value is a belief, standard, mission, or principle that has worth and is useful. Values are deeply held beliefs regarding what is good, correct, and appropriate. They help us determine how we should be and act if we are to be of worth to ourselves and useful to society. Values can range from the commonplace, such as the belief in hard work and punctuality, to the more psychological, such as self-reliance, concern for others, and harmony of purpose. Once we identify the values that are meaningful to us, we can develop strategies for implementing them. But toward what ultimate goal? What exactly is "optimal well-being"? Of course it varies from person to person, organization to organization, and culture to culture. However, in order to create models flexible enough and sufficiently specific to help people attain the state as they see it, we need to get more clarity about its universal elements; we need to go beyond a general understanding of "well-being" and happiness by starting at the beginning.

Philosophers and social researchers have defined happiness and well-being in a variety of ways. The largest divide is between the hedonic view, which emphasizes pleasant feelings

and avoidance of pain, and the eudaimonic view, which emphasizes doing what is virtuous, morally right, true to one's self, meaningful, and growth-producing. The hedonic approach focuses on one's subjective well-being, which is usually seen as having two correlated components: a) one's judgment of life satisfaction—overall or in specific domains such as relationships, health, work, and leisure—and b) one's having a preponderance of positive feelings and relatively few negative feelings. In contrast, the eudaimonic approach focuses on self-validation and self-actualization and suggests that a happy or good life is doing what is right and virtuous, growing, pursuing important or self-concordant goals, and using and developing one's skills and talents, regardless of how one may actually *feel* at any point in time.[3]

Values are indeed manifold and countless, and values in an individual's life are interconnected. Values are strategic lessons learned and maintained. They remain relatively stable over time. These lessons teach us that one way of acting is better than its opposite if we are to achieve our desired outcome(s)—that is, our values and value systems guide our behavior toward that which we think will turn out well for us. Thus, to the extent that they constitute deliberate or preferentially strategic choices, in the medium to long term, for certain ways of behaving and against others, toward the survival or good life of a particular system, values form the nucleus, the DNA, of human liberty.

Achieving relative happiness and fulfillment requires aligning our values with our goals and then seeing how the systems in which we live and work are congruent (or not) with these. So, the key question becomes: how do you achieve value alignment? What is the role of a leader, a coach or a manager to help in the process? We argue that the 3Es tri-axial model (see Figure 1) has become a fundamental steppingstone in the process (Dolan, 2011).

Values are not only words. Values guide and direct our behavior and affect our daily experiences. But the words we use to identify our values and the definitions that we assign to them are particularly powerful; they give meaning to and direct the channeling of human efforts, both on the personal and organizational levels.

The term "axiology" refers to the study of values, and originates from the Greek *axios*, "valuable, estimable or worthy of being honored". Significantly, it is also the root of the English word "axis", the point around which the essential elements turn.

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[3] For an excellent review on happiness at work, see: Fisher, C. D. (2010). Happiness at work. *International Journal of Management Reviews, 12*, 384–412. And for life happiness, I strongly recommend: Ben-Shahar, T. (2007). *Happier: Learn the Secrets to Daily Joy and Lasting Fulfillment*. McGraw-Hill.

Figure 1: The 3Es tri‑axial model of values

Back in the 1970s Rokeach (1973) wrote an outstanding book on values that became an authoritative and pioneering in this field of study. He stated:

> A value is an enduring belief that a specific mode of conduct or end‑state of existence is personally or socially preferable to an opposite or converse mode of conduct or end‑state of existence. 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. (*The Nature of Human Values,* p. 5)

In many Latin languages, the words *value* and *valor* (from the Latin *valēre,* "to be worthy; to be strong") represent three different but complementary meanings that can be categorized in the following dimensions:

- **Axiological dimension:** In Greek, *axios* means "worthy" or "worthy of dignity"; it also signifies a focal point or center around which other elements turn.

- **Economic dimension:** In this sense, value is a criterion used to evaluate things in terms of costs, benefits and relative worth, as in today's expression, the "added value" of a person to a firm.

- **Psychological dimension:** Equated with ethics, this dimension also includes the courage that moves companies and people forward in confronting new frontiers without fear.

Similarly, one can look at the definition of values through three perspectives that were used to develop the 3Es tri‑axial model of values: the economic‑pragmatic, the ethical‑social, and the emotional‑developmental.

On the hierarchy and relativity of values and connection with value alignment

An underlying postulate in understanding the relationships between values, attitudes, beliefs and behavior is the notion of hierarchy and also the notion of relativity. Our *hierarchy of values* will determine what we do and how we live our life. It is almost impossible to align all our values at the same time with our goals. And the attempt to do so can be so overwhelming that we may give up. But we can make significant progress toward a healthier and more fulfilling life by identifying our core values, putting them in an order, and choosing a strategy for aligning those at the top of the list with our goals (Dolan, 2011). This synchronization of our values and goals will be effective as long as our value hierarchy does not change, but in reality the hierarchy is dynamic and may change.

Most will agree that we hold a set of principles to be important, that we value integrity, and accountability, freedom, and respect for others. Most organizations will describe their values as including care of the customer, safety of their employees, innovation, and performance. But it is idealistic to believe that every action can fulfill all of these, and the test of "walking the talk" has become a cliché. Most employees in the vast majority of organizations will say that what is written on the wall (or published on the company's website) is far from reality. It is not that companies do not believe in these principles it is simply impossible to achieve them all. A company, like a person, has to choose, and in these choices reveals its true value hierarchy. A hierarchy of values is seen most clearly when there are limited resources and choices have to be made regarding how they will be applied. These choices become symbols of what is really valued. Creating a hierarchy of values is not a simple task. If you lack methodologies to do so, the likelihood of value incongruence is higher.

What is value congruence in a work setting?

We define value congruence as the compatibility of work values between the focal person and other organizational entities such as supervisors, coworkers, work group, and the entire organization (Chatman, 1989; Edwards & Cable, 2009; Kristof, 1996). This definition differs in several ways from the person-organization fit (hereafter, P-O fit) (e.g., De Cooman et al., 2009). Firstly, value congruence can be the fit between personal work values and those at three different levels, namely those of other individuals, the group, and the organization, whereas P-O fit only refers to the organizational level. Secondly, value congruence only refers to value fit, whereas P-O fit can address other characteristics. And thirdly, value congruence is mainly treated as supplementary fit, whereas P-O fit can be supplementary, complementary or both (Kristof, 1996; Muchinsky & Monahan, 1987).

Different methods of measurement have also yielded different types of value congruence in the literature. Direct and indirect methods have been used. Direct measurement, or perceived value congruence, examines to what extent the focal person thinks his or her personal values

and the other entity's values are congruent. In contrast, indirect measurement uses commensurate dimensions to measure the values of both, and then uses an algorithm to assess value congruence. Indirect measurement includes subjective and objective approaches. The difference is whether the other entity's values are measured from the focal person's perception or from that of other entities. Some researchers posit that objective value congruence is the real, "true score" of value congruence (Judge & Cable, 1997; Ravlin & Ritchie, 2006), while others claim that indirect value congruence is what really matters (Edwards & Cable, 2009; Finegan, 2000). All in all, one can see that different types of value congruence are offered (Dineen, Ash, & Noe, 2002; van Vuuren, Veldkamp, de Jong, & Seydel, 2007). Based on some meta-analyses, the conclusion is that perceived measurement explains outcome variance much better than other measures (Kristof-Brown et al., 2005; Kristof, 1996).

Value congruence and some key HR functions

Staffing

The attraction-selection-attrition (hereafter ASA) model (Schneider, 1987; Schneider et al., 1995) posits that job applicants will be attracted to and selected by those organizations whose values are similar to their own; and that once they have joined the organization, those employees whose values do not fit with the organizational values will either leave voluntarily or be removed by the organization.[4] This is especially important for organizations who struggle to be homogeneous in terms of work values over time. The relative stability of personal values (Meglino & Ravlin, 1998) implies that staffing may be the best way to achieve value congruence.

Socialization

If values are difficult to detect through interviews, then socialization may be the means to achieve value congruence, assuming that work values can be changed. Theories of socialization tactics are referred to in this theme of research (Ashforth & Saks, 1996; Cable & Parsons, 2001; Grant & Bush, 1996). It is claimed that socialization tactics are used to assimilate employee values to organizational values and that it is only when individuals understand the underlying organizational values that they are fully socialized into the organization.

One study explored the impact of socialization tactics on the changes in newcomers' perceived and objective value congruence over time (Cooper-Thomas, van Vianen, & Anderson, 2004b). The authors found that socialization tactics (especially investiture tactics) were significantly related to PPO, job satisfaction, and organizational commitment after four

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[4] A celebrated case, where people are removed even with financial incentives to look for another organization where they may have better value fit, is the case of Zappos. (see: www.youtube.com/watch?v=AbFIPc34AJ8)

months of socialization when controlling for pre-entry PPO and OPO. In attempting to integrate the functions of attrition and socialization, one study found that PPO increased in the socialization process (De Cooman et al., 2009), and that PPO measured retrospectively predicted retention status, indicating that attrition and socialization could function at the same time. Another study found that institutionalized socialization tactics led to perceived value congruence with the organization, and that this relationship was moderated by some proactive behaviors on the part of employees (Kim, Cable, & Kim, 2005), suggesting that the organization should pay attention to proactive behaviors capable of influencing the effects of socialization tactics.

These studies confirmed that some types of socialization tactics can actually increase value congruence, or at least perceived congruence, but it is still not clear how organizations should choose between staffing and socialization to achieve value congruence. Longitudinal studies integrating staffing and socialization would be useful to organizations by helping them to decide in which aspect they should invest their limited resources. Moreover, it is clear that the effects of staffing and socialization depend on several organizational and job market contexts, and our knowledge of these moderators is not systematic. While studies have shown that different socialization tactics have different influences, we need more evidence of how and why this is so.

Leadership
Various leadership theories have recognized the importance of creating shared values (Dolan & Altman, 2012; Dolan, 2015a). By acting as role models, transformational and charismatic leaders assimilate subordinates' values and motivate them toward an organizational vision that goes beyond job duty (Conger, 1999; Howell & Avolio, 1993; Kuhnert & Lewis, 1987, Dolan & Altman, 2012). The self-concordance theory of transformational leadership (Bono & Judge, 2003; Shamir et al., 1993) suggests that, when a leader can instill values in subordinates, the latter will see the job as self-expressive and engage with it. Research has found that PPP with a leader mediates the effects of both transformational and transactional leadership on followers' performance (Jung & Avolio, 2000). When transformational leadership has a direct effect on performance not mediated by value congruence, transactional leadership only has an indirect effect, mediated by value congruence. SPP with supervisor was found to be related to job satisfaction, commitment, and a reduction in tardiness (Meglino, Ravlin, & Adkins, 1989). PPP with leader induced leader support and fewer work-family conflicts (Thompson, Brough, & Schmidt, 2006).

The relationship between value congruence and leader-member exchange (hereafter, LMX) is still not clear. One study proposed that LMX leads to SPO (Steiner, 1988), while another study suggested that PPP with leader results in LMX (Liden, Wayne, & Stilwell, 1993). Ashkanasy and O'Connor (1997) examined the effect of SPP on LMX and found that the

exchange quality was higher when supervisors and subordinates shared achievement and obedience values. It was also proposed that LMX could be an alternative management tool to support subordinates when the perceived value congruence was low.

In summary, the above studies confirm that transformational and charismatic leadership has an effect through a value-assimilating process and that values are an important element in the LMX process. However, we still do not know how leaders are able to instill values, through what process, or what kinds of values are instilled. Dolan and Altman (2012) and Dolan (2015a) propose that a leader can empower followers by employing the three "spires" during the process of culture reengineering: Perspire, Aspire and Inspire. They warn against the common stereotype within management circles of considering the spiritual dimension of a leader as odd; actually, more and more writing argue that the leader's spiritual dimension may become critical in sustaining value congruence (Barrett, 2013 and 2011).

Work incongruence and some outcomes
There is ample research that shows the relationships between work incongruence, work stress and both organizational performance and poor health-related outcomes (i.e., Dolan, 2006). Because stress is generated when situations of value incongruence occurs, it is estimated that the linkage between the latter and a variety of negative consequences is moderated by the state of stress (Ting & Ling, 2013). Living according to one's values in incongruence with work values leads to a variety of health-related problems. An Australian study reported a relationship between value incongruence and mental health, namely high rates of burnout (Veage et al, 2014), accident propensity and turnover and overall general state of poor health (Bao et al, 2013).

Value congruence and job attitudes
Treating job attitudes as outcomes of value congruence is the most prolific theme in the field. Several theoretical perspectives are referred to. Among them, fit theory such as interactional psychology (Terborg, 1981), P-E fit theory (Caplan, 1987), and especially P-O fit theory (Kristof-Brown et al., 2005; Kristof, 1996) are the most important. The basic premise of fit theory is that the joint effects of individual and environmental attributes determine individual and organizational outcomes. When individual and environmental attributes match each other, optimum outcomes will be produced beyond the singular or additional effects of individual or environmental attributes. According to fit theory, individuals prefer this fit condition and will have positive attitudes under such conditions. Similarly, cognitive dissonance theory also suggests that, when values are shared, employees feel their inner belief and outer environment are coordinated, thus experiencing a low level of cognitive dissonance (Elliot & Devine, 1994; Festinger, 1957) which leads to positive attitudes.Similarly to this approach, self-concept theory also proposes that individuals tend to maintain their self-

concept by expressing positive attitudes toward environments that are consistent with their values (Shamir, 1991; Shamir et al., 1993).

Another line of theory comes from the strong organizational culture perspective. Defining value as a predisposition of human behavior (Meglino & Ravlin, 1998; Rokeach, 1973; Dolan et al, 2006), these researchers claim that values are a fundamental cognitive mechanism underlying human cognition, decisions, and actions. Values determine how individuals perceive and process information and how they communicate and respond to stimuli. People who share similar values will have similar goals, similar information processing mechanisms, similar communication styles, and similar action orientations. Thus, value congruence will lead to better communication and cooperation among people and make others more predictable. In turn, ease of communication, improved cooperation, and enhanced predictability will lead to an easy working environment, making the work experience pleasant and satisfying.

Empirical research has confirmed that despite the fact that value congruence is a salient affective construct, it is positively correlated with positive job attitudes and negatively correlated with negative job attitudes across different settings. Similar findings have been reported in specific countries, including Turkey (Resick, Baltes, & Shantz, 2007), New Zealand (Cennamo & Gardner, 2008), Canada (Meyer, Hecht, Gill, & Toplonytsky, 2010), Norway (Verplanken, 2004), and the US; as well as in various industrial and organizational contexts, such as financial services, consulting firms, hospitals, public agencies, schools, and restaurant chains.

In sum, there seems to be overwhelming evidence confirming the purported effects of value congruence on job attitudes from the perspectives of shared culture, the similarity-attraction paradigm, and cognitive dissonance theory.

The effect process of value congruence on various outcomes is largely a "black box". That is, it is unclear why and through what process value congruence leads to positive job attitudes. To our knowledge, only two empirical studies have systematically investigated the effect process of value congruence and identified organizational-based self-esteem, trust and communication as important mediators of value congruence's effect (Edwards & Cable, 2009; Naus, van Iterson, & Roe, 2007). In order to have more consistent scientific findings and rigorous theoretical reasoning, we should empirically test and confirm the mechanisms proposed by different theories. In addition, different explanations of the effect process will help us choose appropriate research outcomes in specific situations. For example, if the mediators are more interpersonal and psychologically oriented, then value congruence will be more proximal to attitudinal outcomes than to behavioral outcomes.

A relevant question to ask is whether positive attitudes are beneficial to the organization. Some researchers claim that, by trying to create a friendly working relationship, employees may actually sacrifice working time and hurt organizational effectiveness by socializing (Verplanken, 2004). Also, the actual purpose of studying job attitudes is that, by promoting positive job attitudes, value congruence will contribute to individual and organizational performance, yet this linkage needs significantly more empirical support.

Value congruence and performance

The theoretical perspectives linking value congruence to individual performance are similar to those referred to in the job attitude theme. Fit theory also suggests that the fit of personal and organizational values will lead to positive job behavior. Furthermore, when a strong culture is shared among an organization's employees, the latter will implicitly understand the fundamental norms within the organization (Schein, 1985, 1990), and act accordingly. Other than these two perspectives, another reason why value congruence should lead to better performance is through the aforementioned linkage of value congruence, job attitude, and performance. Research on the effects of value congruence on performance, whether in-role or contextual, is less frequent, less consistent, and smaller in terms of effect size than on job attitudes (Arthur et al., 2006). We partially attribute this to the inconsistent effects of positive attitudes on performance (Schleicher, Watt, & Greguras, 2004), and also propose that the relevance of value dimensions and research context has a significant impact on the results.One can observe that value congruence is related more to attitudinal outcomes than to behavioral outcomes and to contextual performance more than to in-role performance, and that there are systematic contextual moderators of the effect of value congruence on performance. Because the effect of value congruence on performance is complicated, we cannot confirm claims found in interactional psychology and organizational culture theory in this regard. As for the linkage between value congruence, job attitudes, and performance, empirical evidence enabling us to draw any conclusions is lacking. Thus, remaining questions on the effect of value congruence on performance may include: Does value congruence have any effect on job performance and organization citizenship behavior (OCB)? If it does, is there any mediator in this relationship? Are job attitudes mediators of this relationship? Is the effect of value congruence on job attitudes greater than its effects on performance? Is its effect on OCB greater than its effect on job performance? Finally, we should also systematically examine the possible moderators of these relationships.

Values, new style of management and coaching: Some practical considerations

Because the environment has changed so dramatically, managers have found it necessary to alter their practices in order to meet the needs of the times. In the early 20th century, "Management by Instruction" (MBI) was considered to be an appropriate and adequate way to run an organization. Change happened at a slower pace and therefore the way things were

done in the past worked well enough to pass on to others. By the 1960s, change was accelerating to the point where more flexibility of action was required by managers. Thus, the introduction of "Management by objectives" (MBO) enabled managers to agree on a direction and to choose their own strategy. As changes in the environment began to intensify (e.g., global competition, impact of technology, global economic crisis, etc.), MBO proved to be an insufficient strategy for managing in an interconnected and fast-paced world. In fact, organizations still relying on MBO often discover that their managers fail to meet their objectives. Frustration also increases when, in spite of their best efforts, they are unable to determine what went wrong. Often it is not that the goals were lofty or unrealistic; simply, many unforeseen changes occurred that were not and could not have been predicted. As a result of this growing complexity, scholars began to draw upon chaos and systems theories as a way to better understand organizational behavior (Dolan et al, 2003). Years of research have confirmed that the key to understanding the behavior of such systems is to understand the corresponding values of these living systems. Values systems are the motivators that drive the behavior of individuals, organizations and society, leading today to the emergence of management and coaching by values.

As depicted in Figure 1, we propose a method to understand organizational culture as a combination of three axes of an organization's value system that affect general human behavior: 1) Economic-pragmatic values; 2) Ethical-social values and 3) Emotional-Developmental-spiritual values.

- Economic-pragmatic values are necessary to maintain and bring together various organizational sub-systems. They include values relating to efficiency, performance standards and discipline. These values guide such activities as planning, quality assurance and accounting.

- The way people behave in a group setting is guided by the ethical & social values the group's members share. Ethical-social values emerge from beliefs held about how people should conduct themselves in public, at work and in relationships. They are associated with such values as honesty, congruence, respect, and loyalty, to name a few. A person's ethical-social values are the rules to get to the end.

- Emotional-developmental (and perhaps spiritual) values are essential to create new opportunities for action. They are values related to intrinsic motivation, to what makes us excited and what makes us believe in a cause. Optimism, passion, energy, freedom and happiness are a few examples of such values. Without these values, people will not become creative or highly committed. Thus, it is essential to design a culture enabling people to do what they do best.

The instrumentality of such classifications has been demonstrated to explain excellence in various fields ranging from sport teams to traditional sectors and even to an entire country. Top executives should take a lesson, perhaps, from these experiences. It is evident that competencies alone do not lead to sustainable success; it takes also the conversion of collective passion into a team/organizational synergy to reach sustained excellence. Thus, it

is argued that the task of an effective leader in the 21st century is to build a culture that aligns the tri-axial values with the "corporate core" (key organizational values) to foster a climate of shared direction and passion (see Figure 2).

Figure 2: The 3Es triaxial Value System bounded by Strategic Goals
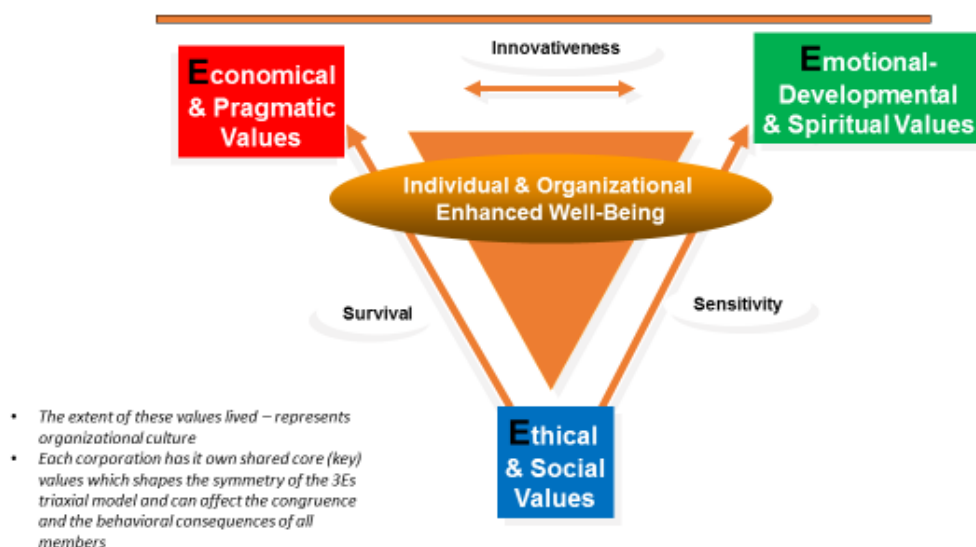
While the "Managing by Values" ((MBV) system was introduced back in the 1990s (Garcia & Dolan, 1997), its application to the field of leadership and coaching has been developed more recently (Dolan, 2011 & 2015). Coaching in business is a growing phenomenon and many even claim that it is becoming "trendy". Good coaching, nevertheless, like good parenting, is about demonstrating a way of being as well as a way of doing. This way of being is reflective of the way that our values drive our behaviors. Gandhi and Martin Luther King never took courses on "non-violence", nor did Harry S. Truman on "straight talk", Abraham Lincoln on "valuing diversity", or Walter Cronkite on "integrity". They trusted their values to guide them toward doing the right things. They were their values. Thus, the ultimate objective in the coaching by values process is to help people understand their values and behavior and help them strike a certain balance between the three axes specified above in the tri-axial model via a process of dialogue and consensus to get to the point of sharing these values.

Coaching by values includes the following simple steps:

- Identify a transformational leader who is willing to assume the role of a coach.

- Identify the current (real) core values of the members of the team and map them on the tri-axial template to identify the dominant culture. (Are they distributed evenly? Are the economic values dominating? Are there any values connected with enjoyment and playfulness?)

- Generate a dialogue amongst team member to question the validity and the meaning of the current culture (i.e., dominant values) and generate a dialogue around it. (What is the desired culture? Which values should change? What should be the shape of the tri-axial model of values?)

- Try and get consensus about the ideal tri-axial value culture. Then select the core values that fit the model and ensure alliance with the vision and mission of the company.

- Based on the above, develop action and transformational plans and make sure to follow them up.

- In the future, ensure to maintain harmony of values by selecting new employees who have a similar set of values or a willingness to embrace the shared values. Train employees for values and even compensate and reward people by the extent to which they adhere to the new set of values.

- Conduct periodic value audits to ensure that the new values (culture) are maintained. (For an online value audit see: www.mbvsuite.com)

Conclusions

In highly successful organizations, each person is aware of their personal values and how these relate to the organization's value system. In this case, values are conscious motivators because there is congruence between the individual and the organization. Managing and coaching by values is the task of leaders in Tomorrowland; it provides an effective way for them to empower all employees and turn behavior and emotions into a genuine source of motivation throughout the organization.

Leaders who are still operating from the belief that people hold the same values they held in the 20th century will not be as effective at motivating a workforce. Studies and professional consulting experience show repeatedly that a great deal of leaders have great difficulty in "de-learning" and "re-learning" the required competencies associated with new or different values of their employees, colleagues and customers. Coaching by values can be used by any leader at any level; it can be used at the team level, at department level and throughout the entire organization.

In order to survive in the 21st century, companies will have to develop a new way to operate—a new culture. This paper shows the negative consequences of value incongruence and the positive consequences of value congruence. It argues that the values of the employees need to be aligned with the vision and the mission of the company. The paper explains the tri-axial model of measuring culture and advances the logic for its reengineering by transformational leaders using the proposed philosophy, methodology and tools. Simple tools such as card games (www.learning-about-values.com) or more sophisticated online tools (www.mbvsuite.com) can help leaders undertake a value audit, and from there a plan of change can be developed.

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