

GROUNDING THEORY METHOD: NEW MEANS TO ASSESS STAKEHOLDERS' PERCEPTION OF ORGANIZATIONAL VALUES

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ABSTRACT

This article proposes a research methodology for assessing the convergence between corporate values defined and enacted by management and employees' perceptions of these values. Since perceptions are volatile, fluctuant, and subjective, this article proposes a mixed-methods approach toward assessing corporate value convergence. This method of assessment consists of the adaptation and quantification of frame analysis, a meaning-making theory. Further on, this methodology is most suitable for assessing value perceptions in online settings. By not distinguishing a clear audience, users of social media and public blogs communicate in a more free flow than in offline settings. This allows for a better assessment of the process through which they internalize and perceive corporate values.

INTRODUCTION AND CORPORATE VALUES

Corporate value convergence is of paramount importance for corporations because it has proven to boost stakeholders' level of trust, employee satisfaction, and increase the likelihood of consumer loyalty, among others (Michailova & Minbaeva; 2012; Nahapiet & Ghoshal, 1998). Corporate values are the core elements of a company's identity and are first defined by the senior management in the company's mission statement (Klemm, Sanderson, & Luffman, 1991). In addition, they represent an indispensable element of corporate culture (Pettigrew, 1979; Michailova & Minbaeva, 2012; Schein, 2004) and "top managers articulate, nurture, and utilize values to shape certain types of individual behavior and to achieve desired organizational goals" (Michailova & Minbaeva, 2012, p.60).

Michailova and Minbaeva (2012) contended that corporate values stand for the beliefs that top management need to use in order to identify objectives and business strategies and practices that the company will engage in. Corporate values are relatively stable over time and, if internalized, are manifest in employees' patterns of behavior (Michailova & Minbaeva, 2012, Schein, 2004). Based on the degree to which they are internalized their presence is evident on a behavioral and cognitive level and a convergence between how management defines corporate values and how employees perceive them is a necessary condition for corporations in general and for multinational corporations in particular. The concept of convergence between corporate values and employees' perceptions was proven to boost job satisfaction and commitment and was studied from various angles, ranging from leadership theory (Fiedler, 1978) to Hackman and

Oldham's (1980) model of job characteristics, and to Finegan's (2000) studies on organizational psychology. Studies showed that reaching corporate value convergence is important because, otherwise, divergent value perceptions held by stakeholders on the one hand and by management on the other hand may lead to conflict and crises. For example, Smith and Eisenberg (1987) determined that Disney's strike in the 1980s had been caused by the divergent views that employees and management held with respect to Disney's core values and mission. Generally, this conflict type, rooted in a lack of value convergence, arises because, by viewing their company differently, both management and employees have different expectations from the company and perform their daily tasks based on what they believe to be representative for the company's mission. A company can ensure this solid convergence by constantly determining and assessing its stakeholders' perceptions. This, in turn, is paramount for establishing and maintaining a relationship that is beneficial for both parties.

What can management do to ensure that corporate values are perceived the way in which the former defined them? Several scholars pointed to the fact that the detailed description of corporate values in mission statements, newsletters, and annual reports does not suffice. Argyrus and Schön (1978), and Simons (1999; 2002) called the values that are presented in such documents espoused values and contended that, without a process of internalization, espoused values create "short-term associations in individual minds" (Michailova & Minbaeva, 2012, p. 61). Therefore, it is recommended that management enact corporate values in a company's daily operations. By acting upon these values together, both management and the company's stakeholders can create a shared understanding of what the corporate values are and what they stand for which, ultimately leads to a specific behavior that benefits both parts (Michailova & Minbaeva, 2012). Consequently, it is important to gain an understanding of how stakeholders perceive and internalize corporate values and the assessment of the (lack of) convergence becomes of paramount importance. By constantly assessing and understanding these perceptions, management can renegotiate the meaning attributed to corporate values in case perceptions are deviant from how the company defined them.

Past research showed that perceptions of corporate values and their alignment with personal values play a paramount role in the way in which a company's stakeholders on the one hand and the management on the other hand perform their activity and make decisions (Liedtka, 1989; Posner & Schmidt, 1993). For example, in a study about employees, Liedtka (1989) considered that the best way to understand the process through which personal and corporate values exert influence on work performance and decision-making is to analyze the interaction between the two value sets. In this respect, she proposed a model of "value congruence" and contended that employees perform and make decisions based on the extent to which their personal values converge with those of their company (Liedtka, 1989; Posner & Schmidt, 1993). In addition, she showed that a clear understanding of corporate values increases commitment and satisfaction and convergence between personal and corporate values leads to a positive work attitude, an idea that had been espoused earlier by Meligino et al. (1989) and Posner et al. (1985). Further on, O'Reilly et al. (1991) showed that the convergence of personal values and corporate values leads to turnover. The importance of value congruence was also stated by practitioners. Namely, Howard (1990) and Posner and Schmidt (1993) mentioned an interview with Robert Haas,

Chairman and CEO of Levi Strauss & Company in which the latter emphasized the importance of value convergence in performing unified business strategies.

Personal values may shift and change and thus corporate values perceptions are fluctuant and volatile. This is the reason for which the best way to assess the volatile and fluctuant aspects of these perceptions may be through the adaption and quantification of a meaning making theory. In this respect, Goffman's (1974) frame analysis can shed light on the way in which stakeholders perceive and identify themselves with the corporate values based on the context or the frame they enact when they try to make sense of their organization. This context comprises the stakeholders' past personal and professional experiences, their expectations, and their beliefs all of which form their personal values. This socio-psychological background would be difficult to assess through in-depth interviews because the interviewee is cognizant of the interviewing process and may not reveal as much information as needed for a proper assessment. Moreover, observational studies and ethnographies, while allowing for a more thorough analysis do not provide as free a flow of communication as the one found online. Specifically, while writing on public blogs and/or social media sites, users lack a clear understanding of their audiences and tend to express themselves more freely.

GOFFMAN'S FRAME ANALYSIS

Goffman's frame analysis, which looks into conversations and social behavior, helps to determine the interpretative criteria or the context stakeholders draw from when they assess and perceive corporate values. Understanding this context allows the company and its stakeholders to (re)negotiate corporate values with the purpose of establishing an agreement on what the corporation is and what it stands for. This context comprises the employees' professional and personal experiences, likes and dislikes, outlooks on life, expectations, and personal values, to name a few, which would be difficult if not impossible to determine without the use of a meaning-making theory. This happens because the use of a meaning making theory represents "an attempt to become cognizant of the rules of cognition and communication that are bound up with the production of any world" (Gonos, 1977, p. 858).

A concept initially developed by Bateson (1972), framing refers to the context or interpretative criteria through which individuals make sense of a certain situation or event (Goffman, 1974; Johansson, 2007). Applied in a corporate context and to online communication, framing sheds light on the way in which stakeholders perceive corporate values based on rules and values that are rooted in a larger structure or context (Goffman, 1974). During the process of interaction, stakeholders enact constitutive frames that represent their own socio-psychological background. According to Goffman "we can hardly glance at anything without applying a primary framework, thereby forming conjectures as to what occurred before and expectations of what is likely to happen at this moment (Goffman, 1974, p. 38). A similar definition was provided by Ellis (1999) who contended that "a frame is a social representation through which people structure experience" and constitutes "the organizational principles and strategies by which

situations are defined” (p. 84). The process through which frames are employed can take place consciously or unconsciously.

Goffman’s frame analysis allows for the determination of a group’s central elements of interpretation and meaning that take place in social and communicative settings. These elements constitute the basis of a group’s culture, its belief system and its “cosmology” (Goffman, 1974, p. 27). In corporate settings, framing helps to determine the perceptions of corporate values that prevail across the company’s stakeholders by first shedding light on the frames that the latter enact in the process of meaning making. Based on the way in which they occur, frames are classified as natural and social and represent the primary cognitive blocks of interpretation (Goffman, 1974).

Natural frames

Natural frameworks classify occurrences that lack intentionality, agency, orientation, or guidance. By enacting a natural frame individuals perceive events as predetermined and void of any intervention that could change the status quo. There are no rewards or punishments applicable, no positive or negative criteria from which to judge an event or a situation. In short, the meaning conferred from the enactment of a natural framework is purely deterministic. The enactment of natural frames signifies that individuals consider occurrences beyond anyone’s control.

In studying stakeholders’ perceptions of corporate values, the examination of the natural frames can trigger events or states of affairs in the macrosystem in which the organization operates. These are situations beyond a corporation’s control in terms of decision making and refer to the political, social, and economic systems in which companies operate. A corporation needs to adapt to the milieu in which it functions. Most of the times corporations cannot change the system through their own operations. The situation has already been determined and is beyond a company’s control. Moreover, the daily activity of a corporation needs to be performed according to the rules imposed by the macrosystem. Consequently, natural frameworks are related to the concept of legitimacy. Specifically, stakeholders perceive companies as legitimate when the latter conform with taken-for-granted standards (King & Whetten, 2008). Some examples of taken-for-granted standards are business practices and ethics that corporations need to implement based on the economic, social, and political milieus in which they operate. The presence of natural frameworks in corporate value perceptions will shed light on whether employees consider those values as imposed by the macrosystem and, hence, embraced by the company as a requirement and not out of its own will. For example, it is expected that a value like corporate social responsibility (CSR) will have a higher presence in the natural frame since CSR has been the latest buzzword that business and corporations have enacted worldwide in an attempt to maintain or gain legitimacy. This assumption implies that stakeholders may consider that the company is not sincerely committed to CSR acts but rather adopts them in order to maintain organizational legitimacy.

Social frames

Contrary to natural frameworks, social frames interpret situations that involve agency, intention, motivation, and will. Such situations constitute “guided doings, and reflect purpose and intelligence“ (Haslett, 2011). The perceptions that fall under the social frameworks refer to the fact that the company has the power to change or avert events and its performance can be sanctioned, punished, or rewarded by stakeholders. The company’s doings are subject to appraisals and guided by rules. Thus, the company can be “coaxed, flattered, affronted, and threatened” (Goffman, 1947, p. 22). Despite the company’s intentions to change or alter the status quo, its power is limited by the natural extant conditions. Specifically, social frameworks make allowances for the fact that the company’s actions and performance may be restricted by the realm of the natural. Hence, success and failure are measured by taking into account the degree to which the company seeks to exploit the external conditions and/or navigate through them (Goffman, 1947, p. 23). In this case, interpretation involves a frame within a frame since the social frame can be view from a larger perspective that is, constricted by the realm of the natural.

In studying corporate values, social framing refers to the fact that stakeholders’ perceptions are formed based on the belief that the company is limited in its operations by the expectations that stem from the macrosystem in which it operates. For example, a company is promoting innovation as its core value but the question that arises is whether its stakeholders perceive that more innovation could be achieved if there weren’t restrictions on the market such as the restraints imposed by government regulations, etc.

Extraordinary situations

In addition to occurring in the natural and social frames, organizational values can be present in extraordinary situations that influence and shift perceptions. These situations are negative or positive in connotation, may revolve around agency or be void of it and refer to disruptive and out of the ordinary events. Goffman (1974) classified them as muffings, cosmological interests, and astounding complexes. For the purpose of studying perceptions of organizational value, cosmological interests refer to events that disrupt the regular activity of a company in either a positive or negative way. In addition, the events are under management’s control. On the other hand, muffings refer to solely negative events and are characterized by a shift in agency. Such events are the crises that arise as a result of the management’s loss of control over a given situation. Finally, cosmological interests characterize perceptions of events or situations that are utterly positive. In the case of cosmological interests, individuals are framed with amazement and consider that only the agent responsible for the event or the situation could have the skills or the ability to be accountable for a certain achievement and there is no other entity that could outmatch its performance.

It is important to note that the process of meaning making can occur simultaneously in natural/social frameworks and in one of the extraordinary situations aforementioned. Thus, the importance of conducting a frame analysis lies in the potential of Goffman's (1974) theory to determine, 'what are the instances in which, despite the fact that stakeholders perceive a value as enacted for the purpose of organizational legitimacy, they still accept it and identify themselves with it.' For example, studies can shed light on whether, if perceived in situations that are inherently positive (cosmological interests), the value of CSR is embraced by stakeholders despite the fact that it has a high presence in the social frame.

PROPOSED METHODOLOGY

Because Goffman's (1974) frame analysis deals with interpretation and meaning making, it needs to be adapted to the specific company whose values are being studied. In addition, corporate values perceptions oscillate depending on the socio-psychological context that triggers them. Hence, the best way to assess the convergence of value perceptions is to conduct a case study research and adapt the frame analysis to each company that requires this assessment. The case study methodology involves a mixed-methods approach especially in cases in which there is little known about previous values perceptions (Eisenhardt & Graebner, 2007; Weick, 1993). In addition, the qualitative research methodology is the best way to bring to light perceptions since they occur at a cognitive and subconscious level. In order to analyze perceptions of organizational values, the researcher should first engage with the company's mission statement as well as with the company's online content by performing a qualitative analysis. Using the grounded theory methodology, the researcher engages into an inductive/deductive approach to determine the frames and the extraordinary situations in which the company's values occur the most. The researcher is thus able to hypothesize and create research questions. In addition, the grounded theory methodology allows the researcher to compile a thorough and rigorous codebook that he or she will use in the quantitative study that follows.

The second part of the analysis involves a content analysis in which the online content is coded based on the codebook determined through the application of the grounded theory methodology mentioned afore. Specifically, the researcher codes for every occurrence in which the company's values and Goffman's frames are implicitly or explicitly present. Moreover, the researcher needs to make allowances and code for the presence of value convergence. The way in which value convergence coded as present or absent in the posts should be determined based on the results of the prior qualitative analysis. It is recommended that convergence is coded when the author of a blog post expresses approval of a situation or event, clearly states or implies he or she would adopt a similar solution under the same circumstances, praises or lauds the company's stand and actions. Finally, a multiple regression analysis should be run in order to determine the way in which the company's values and Goffman's frames determine value convergence.

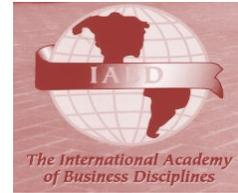
CONCLUSION

The advent and the success of the social media and blogs forever changed the way in which corporations engage with their stakeholders. Online communication tends to blur the distinction between internal and external stakeholder groups as the latter engage in online dialogues about the company's products, actions, and deeds. Companies have found various ways to assess online communication mostly by statistically measuring the negative and the positive social media content about their brand. This paper argues that corporations can use social media content to determine the way in which their various stakeholder groups perceive their values. Since perceptions are volatile and fluctuant, companies should assess these perceptions on a regular basis and through a mixed-methods approach that involves the adaptation of an interpretative approach. Finally, this article proposed a way in which such an assessment can be conducted through the application of Goffman's frame analysis.

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