

# The Relationship between Individualism-Collectivism and Organizations' Espoused Values

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## Key Words

Individualism, collectivism, organizations' espoused values.

## Abstract

*The purpose of this study was to explore the relationship between individualism-collectivism and organizations' espoused values. Individualism and collectivism examined under four dimensions as horizontal individualism, vertical individualism, horizontal collectivism, and vertical collectivism (Singelis et al., 1995) while organizations' espoused values discussed with Kabanoff's (1991) value profile types for organizations; elite, meritocratic, leader focused and collegial. The survey of this study is conducted on 105 managers of 5 different companies in Istanbul. The obtained data from the questionnaires are analyzed through the SPSS statistical packaged software. Analyses results showed that horizontal collectivism dimension is positively associated with meritocratic and collegial value profile types for organizations.*

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## Introduction

Various researchers have argued that organizational values are important for describing and explaining differences between organizations (Chatman & Jehn, 1994; Enz, 1986; Kerr & Slocum, 1987; O'Reilly, Chatman & Caldwell, 1991). To date, there is a lack of empirical investigations conducted into the association between individualism-collectivism and organizations' values in Turkey.

Therefore, the study begins with theoretical considerations about individualism-collectivism and organizations' espoused values, then goes on to methods. The main purpose is to examine the relationship between individualism-collectivism and organizations' espoused values. Research objectives, sample and data collection and research instruments are discussed. In the last section, findings, discussion and the implications of analyses are taken place and recommendation is provided for practitioners.

## Theoretical Considerations

### 1. Individualism and Collectivism

Hofstede (1980) addressed individualism and collectivism as a bipolar construct and argued that it is a fundamental distinction between cultures. According to Hofstede and Hofstede (2005) individualism pertains to societies in which the ties between individuals are loose; everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which throughout people from birth onward are integrated into strong, cohesive in-groups, which throughout people's lifetimes continue to protect them in exchange for unquestioning loyalty.

Individualistic and collectivistic cultures are broadly characterized by the priority of individual over group interests, versus the priority of in-group interests over the interests of the individual (Parkes et al., 2001). In individualist cultures attitudes are more important than norms, but in collectivist cultures norms are given more weight than are attitudes (Triandis and Gelfand, 1998). In collectivist cultures people see themselves as interdependent parts of their groups, whereas individualists emphasize their autonomy and independence from groups. In individualistic cultures the employee-employer relationship is calculative where tasks are given priority over relationships, competition is valued and employees are motivated by individual achievement, reflected in a preference for equitable reward distribution. By contrast, in collectivistic cultures the employee-employer relationship is more familiar where relationships given priority over tasks, conformity to group norms, cooperation, and group harmony are considered important, with a preference for rewards given to the group to be distributed equally and employees have a more socially oriented achievement motivation, and try to fulfill the expectations of the group and significant others (Parkes et al., 2001).

Triandis and Gelfand (1998) contend that the most important attributes that distinguish among different kinds of individualism and collectivism are the relative emphases on horizontal and vertical social relationships. Horizontal patterns assume that one self is more or less like every other self. By contrast, vertical patterns consist of hierarchies, and one self is different from other selves. The ways in which these relative emphases combine with individualism and collectivism produce four distinct patterns; horizontal individualism (HI), vertical individualism (VI), horizontal collectivism (HC), and vertical collectivism (VC).

Horizontal individualism is a cultural pattern where an autonomous self is postulated, but the individual is more or less equal in status with others. The self is independent and the same as the self of others (Singelis et al., 1995). In HI, people want to be unique and distinct from groups, are likely to say "I want to do my own thing," and are highly self-reliant, but they are not especially interested in becoming distinguished or in having high status (Triandis and Gelfand, 1998). In vertical individualism, people often want to become distinguished and acquire status, and they do this in individual competitions with others. They are likely to say "I want to be the best" (Triandis and Gelfand, 1998). VI is a cultural pattern, in which an autonomous self is postulated, but individuals see each other as different, and inequality is expected. The self is independent and different from the self of others. Competition is an important aspect of this pattern (Singelis et al., 1995). Horizontal collectivism is a cultural pattern in which the individual sees the self as an aspect of an in-group. Equality is the essence of this pattern and the self is interdependent and the same as the self of others (Singelis et al., 1995). In addition, in HC, people see themselves as being similar to others and emphasize common goals with others, interdependence, and sociability, but they do not submit easily to authority (Triandis and Gelfand, 1998). In vertical collectivism, people emphasize the integrity of the in-group, are willing to sacrifice their personal goals for the sake of in-group goals, and support competitions of their in-groups with out-groups. If in-group authorities want them to act in ways that benefit the in-group but are extremely distasteful to them, they submit to the will of these authorities (Triandis and Gelfand, 1998). VC is a cultural pattern in which the self is interdependent and different from the self of others. Inequality is accepted in this pattern, and people do not see each other as the same. Serving and sacrificing for the in-group is an important aspect of this pattern (Singelis et al., 1995).

## 2. Organizations 'Espoused Values

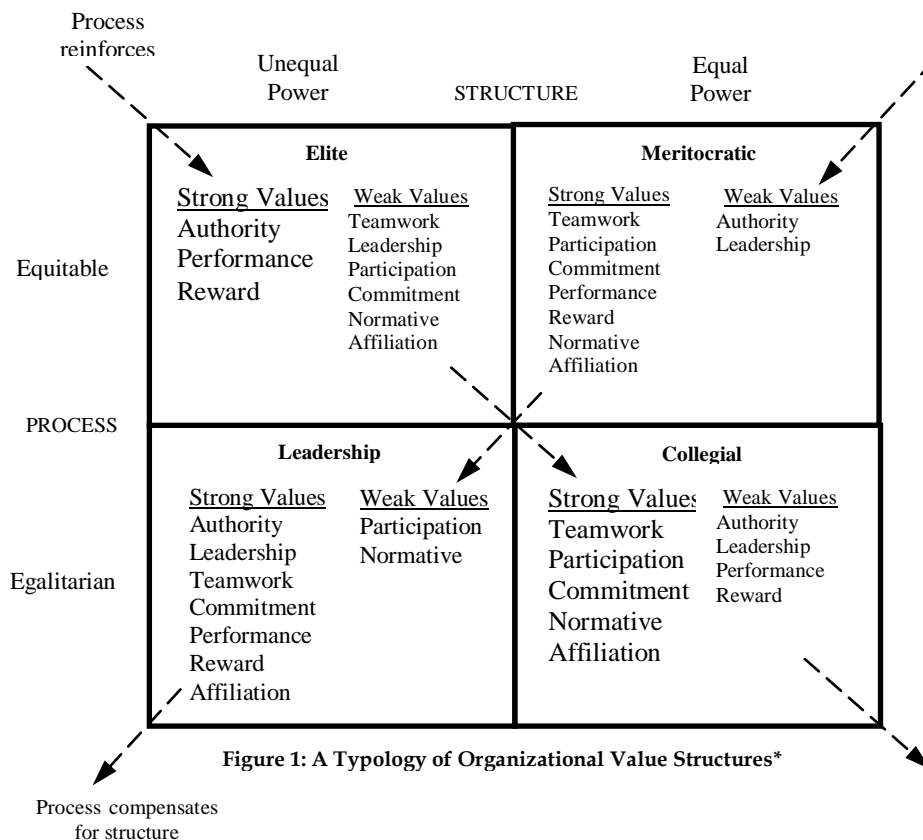
Schwartz and Bilsky (1987, 1990) described that values are concepts or beliefs, pertain to desirable end states or behaviors, transcend specific situations, guide selection or evaluation of behavior and events, and are ordered by relative importance. Values, understood this way, differ from attitudes primarily in their generality or abstractness and in their hierarchical ordering by importance (Schwartz, 1992). According to Rokeach (1979) and Schwartz (1992), people and groups differ in terms of the importance that is attached to different values and these differences can be described as value hierarchies or value structures. A value structure is more than a value hierarchy since it is a pattern of relations among a set of values, and patterns can differ in terms of both compatibilities and conflicts between the values. Kabanoff described a typology of organizations based upon these differences in organizations' value structures. Instead of comparing organizations along single-value dimensions a typological approach compares organizations in terms of their value structures, thus it is theoretically more satisfying and rich (Kabanoff and Daly, 2000).

According to Kabanoff (1991, 1992, 1993) there are four value profile types for organizations; elite, meritocratic, leader focused and collegial. The value profile of an organization is determined by two main dimensions which are the degree of equality versus inequality in their structures and the degree of equity versus egalitarianism in their processes. The more unequal or centralized the power structure is in an organization, the more equity values predominate, and the more resources and rewards will tend to be unequally allocated. In organizations with decentralized, democratic power structures, an egalitarian orientation and more equal allocations will tend to predominate (Kabanoff et al., 1995).

The Collegial profile can adopt a reinforcing process that emphasizes democratic and participative processes and policies. The typical sources of conflict are equity-related with concerns about greater efficiency, more rational allocation of scarce resources, inadequate rewards for high performers. The organization exercises relatively little control over people's activities. The Meritocratic profile describes an organization that, although still cohesiveness oriented, exchanges some loss of cohesiveness and diversity for an expected gain in average productivity and less variability in individuals' outputs which means that the members are highly concerned with both cohesion and productivity. This type shares many of the qualities of the collegial culture but with increased emphasis on performance. The elite type organizations are the most in egalitarian organizations that reinforce equity where power, resources and rewards are concentrated at the apex, instrumental values dominate social values, and described as compliance and efficiency oriented.

And finally leader focused profile organizations, like elite organizations, tend toward inequality in distributions of rewards, resources, and power. However, in leader focused organizations the tendency toward inequality is somewhat offset by delegating some of the elite's power to a cadre of leaders, loyal to the elite. Cohesion is encouraged through loyalty rather than through equality (Kabanoff, 1991; Holt and Kabanoff, 1995; Kabanoff and Daly, 2002).

The value profile types, describing four value structures and the particular structure-process combination characteristic of each type are given in Figure 1



\*Kabanoff, B. (1991). Equity, Equality, Power, and Conflict. *Academy of Management Review*, 16, 416-441.

This typology uses organizations' espoused values as the means for identifying and classifying organizations according to their underlying ideal type. This then provides to compare the value profiles of organizations on a more holistic basis rather than relying on single values (Kabanoff and Daly, 2000).

### 3. Methods

#### 3.1. Research Objective

The main purpose of this study is to examine the relationship between individualism-collectivism and organizations' espoused values with the help of the value profile types for organizations as elite, meritocratic, leader focused and collegial. At the organizational level, values are viewed as a considerable component of organizational culture (O'Reilly & Chatman, 1996; Schein, 1985). They are described as principles responsible for the successful management of companies (Mitchell & Oneal, 1994). There are several studies examining values as dependent variables investigated the influence of national culture (Ralston et al., 1992; Vertinsky et al., 1990). So it can be seen that the components of culture affect the organizations' values. Besides, Earley's (1989) study found moderating effects for collectivism as, collectivists performed best in in-group contexts, as opposed to out-group or individual contexts, and also did not loaf in group settings low in accountability as individualists did. Collectivists were more positively response to group focused training, whereas individualists were more effective under individual

focused training conditions. Also Wagner (1995) studied the relationship between collectivism and values interacted with both group size and identifiability in predicting cooperation. Finally Kabanoff et al. (1995) has proposed that collegial and leadership organizational value types would be more prevalent in low individualism countries. Considered together, these findings provide initial support for the widespread contention that there are significant relationships between individualism-collectivism and organizations' espoused values.

Based on these information, the objectives of this study were outlined as: (1) to determine the level of individualism-collectivism of Turkish managers, (2) to determine the organizations' espoused values by the help of the value profile types for organizations, and (3) to examine the relationships between horizontal and vertical dimensions of individualism-collectivism and value profile types for organizations in Turkey.

### 3.2. Sample and Data Collection

Data collected from the managers in a total of 5 companies in Istanbul. Questionnaires were distributed to companies' human resources departments so that it is their decision to apply the questionnaires who met the definition of manager. Total of 105 usable questionnaires from companies were returned. The collected data analyzed through the Statistical Package for the Social Sciences (SPSS) computer program version 16.00. Reliability tests, means, standard deviations, correlation analysis and regression analysis used to determine the relationships between variables.

### 3.3. Research Instruments

There were two different scales used to measure individualism-collectivism and the value profile types of organizations. Besides, for obtaining the demographic profiles of the respondents, additional questions were asked.

Individualism-collectivism was measured using 32-item scale developed by Singelis, Triandis, Bhawuk, and Gelfand (1995). The scale distinguishes between four components each with eight items as; horizontal individualism (HI) assesses the extent to which individuals strive to be distinct without desiring special status, horizontal collectivism (HC) assesses the extent to which individuals emphasize interdependence but "do not submit easily to authority", vertical individualism (VI) assesses the extent to which individuals strive to be distinct and desire special status, and vertical collectivism (VC) assesses the extent to which individuals emphasize interdependence and competition with out-groups. Managers were asked to indicate how much they agree to the statements using a 7-point scale ranging from strongly disagree and strongly agree.

The Survey of Organizational Values (SOV) developed by Holt and Kabanoff (1995) was used to assess organizations' value orientation with respect to five areas; the "role of managers", "providing direction and co-ordination", "what binds people to the organization", "the nature of relationships", and "organizational rewards". For each of these areas of concern, there are four descriptive statements corresponding to one of the four types as; elite, meritocratic, leader focused and collegial. The SOV required respondents to indicate what their organization most like among four descriptions using a 7-point scale is ranging from exactly like and not at all like. To ensure the reliability of the scales, internal consistency analysis made and the Cronbach's alpha ( $\alpha$ ) scores obtained. The scores seen in Table 1 indicate that both scales have internal consistency and are reliable.

Scales	No. of Items	Cronbach's Alpha
<b>Individualism and Collectivism Scale</b>	<b>32</b>	
Horizontal Individualism	8	,789
Vertical Individualism	8	,773
Horizontal Collectivism	8	,761
Vertical Collectivism	8	,727
<b>The Survey of Organizational Values</b>	<b>20</b>	
Elite	5	,780
Leadership	5	,874
Collegial	5	,855
Meritocratic	5	,762

**Table 1: Internal Consistency of the Scales**

#### 4. Findings

The demographic questions are related to the participants' gender, age and tenure. According to the results 38% respondents were female and 62% were male. An equal 54% of age group of the respondents was between 31-44 years and 38% was more than 45 years. Of the study participants, 27% have experience between 5-14 years, 46% between 15-24 years and 24% have more than 24 years of experience.

Variables	Mean	S.D.
<b>Individualism-Collectivism</b>		
Horizontal Individualism	3,113	0,69
Vertical Individualism	4,021	0,77
Horizontal Collectivism	5,886	0,82
Vertical Collectivism	3,547	1,14
<b>Value Profile Types</b>		
Elite	2,157	0,91
Leadership	2,967	1,03
Collegial	4,435	0,64
Meritocratic	5,214	0,56

**Table 2: Means and Standard Deviations of Variables**

Table 2 indicates the means and standard deviations for the variables. According to the results managers perceived themselves highly in horizontal collectivism (5,886), and secondly in vertical individualism (4,021). The mean scores also show that the managers perceived themselves neither in horizontal individualism (3,113) nor in vertical collectivism (3,547) as they respond under the mean score of the scale. Furthermore; the value profile types for organizations perceived by managers mostly appear to be meritocratic (5,214) and secondly collegial (4,435), while elite and leader focused profiles are not considered.

Individualism and Collectivism	Value Profile Types			
	Elite	Leadership	Collegial	Meritocratic
Horizontal Individualism	,181	,248	,015	,687
Vertical Individualism	,423	,4347	,357	,630
Horizontal Collectivism	,669	,274*	,494*	,536*
Vertical Collectivism	,427	,142	,158	,417

\*Correlation is significant at the 0.01 level ( $p < 0,01$ )

**Table 3: Correlations between Individualism-Collectivism and Value Profile Types**

As seen in Table 3, horizontal collectivism is significantly and positively correlated with three value profile types as; leadership (0,274), collegial (0,494) and meritocratic (0,536). Conversely; horizontal individualism, vertical individualism and vertical collectivism are not significantly correlated with any of the value profile types.

According to the correlation results, there left only one independent variable (horizontal collectivism) to be tested in the regression analysis, since it is unnecessary to analyze the regression of independent and dependent variables if there is no correlation between them. Therefore in this case, multi-collinearity is not a threat for the analyses as well.

Horizontal Collectivism (Independent Variable)			
Dependent Variables	Sig.	<i>t</i>	Beta
Leadership	,625	1,247	,192
Collegial	,001	7,419	,461*
Meritocratic	,000	5,632	,579*
R <sup>2</sup> = ,639			
F = 8,291			
Significance of F = ,001			

\* Significant at 0,01 level ( $p < 0,01$ )

**Table 4: Regression Analysis between Horizontal Collectivism and Value Profile Types**

Based on the correlation analysis results, the regression analysis computed between horizontal collectivism, as an independent variable, and leadership, collegial and meritocratic value profile types as dependent variables. As shown in Table 4, horizontal collectivism appeared to have a positive and significant impact on meritocratic (0,579) and collegial (0,461) value profile types.

## 5. Discussion

The study indicates the relationships between individualism-collectivism and organizations' espoused values. The significance of the evidence presented in this study emphasizes two important points. Firstly, the evidence in this study confirms that managers perceive themselves highly in horizontal collectivism and lower level in vertical individualism. In other words, it is considered that the managers perceive both horizontal and vertical dimensions of individualism and collectivism, which are quite different from each other, where horizontal orientation emphasizes equality and vertical orientation emphasizes hierarchy.

Based on what we know from many earlier studies, cultures do not split as individualistic or collectivistic in certain ways. According to Triandis (1995) individual-level factor analyses suggest that the two can coexist and are simply emphasized more or less in each culture, depending on the situation. He argues that both individualist and collectivist tendencies exist in all individuals, the difference is that, in some cultures, the probability that individualist values, attitudes, norms and behaviours will be sampled or used is higher than in others. It is possible for a culture to embrace both dimensions in different ways, so we can say that the result is reasonable. The findings also highlight the significance of measuring both horizontal and vertical dimensions of individualism and collectivism because without the measurement of both, the study would not have been able to exhibit the differences that it did.

Secondly, the study clearly supported that there is a positive and significant relationship between horizontal collectivism and meritocratic and collegial value profile types of organizations. In other words, it can be asserted that managers, who perceive themselves highly in horizontal collectivism, in which individual sees the self as an aspect of an in-group, espouse the values of meritocratic and collegial profiles. As we mentioned earlier, in horizontal collectivism people see themselves as being similar to others and emphasize common goals with others, interdependence, and sociability, but they do not submit easily to authority (Triandis and Gelfand, 1998).

On the other hand, with respect to the basis of the specification of four value structures, four prototypical value profiles were postulated. In each profile, the nine values were defined either as strong or weak. As explained earlier, the collegial value profile differs from the meritocratic profile only in that the collegial profile does not emphasize the equity-oriented values of performance and reward. Both profiles emphasize teamwork, participation, commitment, normative and affiliation as strong values where authority and leadership are perceived as weak values. Thereby it can be seen that the characteristics of horizontal collectivism and espoused values of meritocratic and collegial profiles of organizations are coincided.

Eventually the study expands our understanding of Turkish managers' perception on individualism and collectivism with the help of its horizontal and vertical dimensions, besides the values they espouse in their organization under the values profile types. The study also points out that collectivistic behaviour positively affects meritocracy and collegiality in organizations.

## 6. Conclusions and Implications

Based on the previous studies on culture, we comprehend Turkey as a collectivist country. This study showed that Turkish managers maintain high levels of horizontal



collectivism which is consistent with the former literature. In addition, according to the results, it is seen that managers also maintain vertical individualism orientation which can be considered as a new progress. Increase in individualization trend is extremely reasonable especially when globalization and its impact on communities considered. This finding of the study indicates that, the standards of behaviour which have dominant characteristics and embraced by societies may change over time with the effects of environmental factors.

The findings can be summarized as; managers often prefer to act to reflect the characteristics of collectivist society when dealing with an in-group, but they also act like individualists and put forward their desire to be different and consider personal benefits when dealing with an out-group. Based on this information practitioners should be careful on understanding the human behaviour in organizations, analyze the dynamics of society, realize the development and change over time and not act relying on stereotypes of cultural classifications.

In addition, managers participated in this study indicate that, they espouse meritocratic values which are teamwork, participation, commitment, normative, affiliation, performance and reward. When these values examined it can be asserted that, managers often tend to prefer teamwork and participate, commitment is a significant value for them, they believe the necessity of organizational rules and they have strong feelings of attachment. Therefore practitioners should act in behaviours that support these values and create the environment where these values can take place. Besides it is also crucial to establish fair performance evaluation and reward systems. It would be beneficial for the organization to take precautions on the weak values of meritocratic structure such as leadership and submitting authority.

It should be noted that, since horizontal collectivism positively affects meritocratic value profile, it would be easier for practitioners to create meritocratic structures with the help of characteristics of horizontal collectivism, who have this kind of information. But the development and the possible effects of vertical individualism on organizations' espoused values over time, which is the secondary choice of managers, should not be ignored.

Finally, this study provides assistance on the issues outlined above for practitioners who manage in global markets, provides information on the behaviors of individuals and indicates direction for establishing better and more successful organizations. Since scanty number of managers was used as sample, the generalization of the findings is a limitation for the study. Future studies could expand the sample size or analyze different variables to generalize the findings.

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