Changing values in public professions
- a need of value-based leadership?

Grete Wennes and Tor Busch

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Abstract
Over the past thirty years, the public sector has undergone extensive modernisation. As part of the New Public Management agenda new principles have been introduced, and market solutions have been implemented across a broad range of service areas. These reforms have challenged the existing organisational culture of many public professions. Our objective in this paper is to examine whether these large structural reforms have influenced fundamental values at the municipal level and thereby created important challenges for the leaders. The results of the study show that two central values connected to the New Public Management agenda have gained increased importance over recent years – namely ‘meeting the needs of individual users’ and ‘renewal/innovation’. Of the listed values which are perceived as having become more important, these are ranked as the top two. At the same time, values traditionally associated with the public ethos continue to enjoy a strong position, whereas purely economic values remain relatively insignificant.

Keywords: values, public sector, innovation, user orientation, value-based leadership

1.0 Introduction
Values have always had a central place in public organisations – partly in order to safeguard the quality of the administration and service production, but also to ensure legitimacy among the population. Within public administration, we typically find values such as accountability to society at large, due process, equal opportunities, and transparency (Beck Jørgensen 2007). Although formal rules and regulations are central to such bureaucracies, they are founded upon a series of normative principles and values (Olsen 2007). The staff members must be given discretionary powers to make their own decisions, to interpret rules, and to exercise leadership, and the freedom this represents must be checked by adherence to certain values. A collective term which is often used to describe these fundamental values is “public ethos” (Beck Jørgensen 2003b; Lundquist 1998).

The New Public Management reforms have led to more hierarchical management structures and a steady increase in the use of market solutions. The great challenges faced by
the welfare state in terms of its legitimacy and efficiency constituted the background for the introduction of these reforms (Ringen 1987; Kettl 2000). The aim was to improve productivity and efficiency by implementing management models taken from the private sector. The early reforms introduced stronger hierarchical control, a greater emphasis on performance evaluation, stronger user orientation, deregulation of the labour market, and a transition to individual pay systems. This was later followed by the development of models which had a greater emphasis on features such as quasi markets, management contracts, competitive tendering, downsizing, and greater service flexibility (Ferlie et al. 1996).

The objective of this article is to take a closer look at the value development process in public professions – using municipal public service production as the empirical base. Our focus is threefold: firstly, we identify which values are currently seen as being the most important ones, and which values have become more or less important over the past decade in terms of their perceived significance. Secondly, we discuss these values against the background of the modernisation of the public sector which started in the early 1990s. Finally, we discuss the practical implications of changing values for public sector leadership. We argue that changing values will have a great impact on behavior and priorities in the public sector (Kluckhohn, 1951) and that public sector leaders must focus on and contribute to the process of developing values in order to create the conditions necessary to achieve the desired results.

2.0 Theoretical starting point

“Values” is a central concept across a range of disciplines, such as economy, philosophy, sociology, psychology, and anthropology. Consequently, its contents are defined in a variety of ways. After reviewing different approaches to the concept of “values”, Kluckhohn et al. (1951) defined a value as “a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes, means and ends of action” (Kluckhohn, 1951, p. 395). Several important dimensions are indicated here. Firstly, values are seen as a mental construct. That is, values have a cognitive basis and represent a concept that cannot be directly observed. At the same time, values are specified as also containing an affective/emotional aspect (“desirable”). Secondly, the definition emphasises that the nature of values can be both explicit and implicit. At the same time, it is specified that it must be possible to verbalise the implicit values – be it by the actor subscribing to the value or by the person observing the actor’s behaviour. Through such
verbalisation, an actor can take a stance for or against the value in question. Thirdly, the definition indicates that values are a matter of desirable characteristics. A statement expressing values is therefore a normative statement tied to right/wrong or good/bad. A value can therefore have a moral dimension, although many values are also of a different character. Kluckhohn et al. (1951) make a clear distinction between “desired” and “desirable”. Their focus on what is “desirable” makes it clear that a value “should be desired” – i.e. values also have a normative dimension. Fourthly, the definition forges a connection between values and action. Values form the basis for choosing between alternative methods, means, and final outcomes.

Rokeach (1979) has also made a central contribution to our understanding of the concept of “values”. Defining a value as a persistent belief that a particular course of action or final outcome is preferable – personally or socially – to another, he also regards values as latent concepts, and emphasises the importance of the fact that the contents of a value differ from person to person. Furthermore, he presupposes that values are mutually integrated, so that changes to one value may cause other values to change. This effect is particularly pronounced when the changing values are central ones.

Rokeach (1979) indicates through his definition that values can be sorted into two different types: terminal values, which are linked to a final outcome; and instrumental values, which are linked to a course of action. The terminal values concern conditions which are desirable for an actor or a social group. According to Bozeman (2007), instrumental values have no value in themselves; they are valued on the basis of their influence on terminal values/internal values. This connection can weaken over time; thus, preserving a conscious connection between instrumental values and terminal values represents a challenge. As a further complication, instrumental values can transform into terminal values over time. Finally, a central point is that the importance of terminal values cannot be tested empirically, since they are not agent neutral. In contrast, it is possible to examine whether instrumental values contribute to the realisation of target values.

According to many scholars, values are hierarchically organised based on their importance for each individual (see Meglino & Ravlin, 1998, for a review). In contrast, Hodgkinson’s (1996) proposal that values be classified according to the rationality or basis they build on gives a general hierarchy of values which is less dependent on individual assessment. The most important values are rooted in society; they are institutionalised to a great extent, and adhered to out of a sense of duty. At the next level we find values which are based on rational reasoning. These values have been developed because they are found to be functional. Many
of the values associated with professional knowledge workers in the public sector are found in this group, indicating a series of standards for professional conduct. At the lowest level we find values which are based on individual preferences. Being the kind of values individuals are attracted to according to the given situation, these have a more emotional basis.

A hierarchical organisation of values at the individual level is problematic, and has been criticised by many scholars. Kluckhohn *et al.* (1951) presume that different values can be held separately – that is, that they are not part of an overall hierarchical structure. According to this view, values may be found to have low uniformity. Beck-Jørgensen (2003a; 2006) presumes that values can be organised in clusters. According to this, values belonging to the same cluster will tend to show a great degree of uniformity and integration, whereas the distance between different clusters may be great. Each cluster has a dominant value, described as a “nodal value”. Beck-Jørgensen also emphasises that values may be in mutual conflict, and that a separation or decoupling may occur between these – thus reducing the negative effect of such conflicts. Schwartz (1992) has handled this problem by adopting a circular organisation of values. The position of the values on the circle shows how the different values are interconnected. Values found on opposite sides of the circle are in mutual conflict, whereas adjacentely placed values are in mutual harmony.

Values in public professions can be assessed along the same dimensions as the more general values of society at large, but the fact that they are tied to a specific context makes it possible to discuss them at a more concrete level. In recent years, this field has seen an increasing focus on the concept of “Public values” (Bozeman, 2007) which indicate that public values are implicitly tied to regulative, normative, and cognitive institutions developed by society and affecting the relationship between the State and its citizens. This means that a distinction should be made between public values and the values held by an individual or a social group – both within and beyond the public sector. Through the fact that many of the public values are institutionalised, they can be defined as constituting the values of society, even though they are not shared by all of the members of society, for obvious reasons.

Lundquist (1998) holds that the central values of the public sector can be sorted into two main groups: democratic values and economic values. Each of these groups contains individual values which mutually support each other. The democratic values are political democracy, due process, and public ethics, whereas the economic values are means-ends rationality, productivity, and cost efficiency. Whereas the democratic values are a particular to the public sector and contribute to the sector’s separate identity, the economic values are found in both public and private undertakings. Value conflicts are therefore inevitable in the
public sector, and there are strong indications that we are currently witnessing a development in which the economic values are gaining ground at the expense of the democratic values (Lundquist 1998).

3.0 Method

3.1 Respondents and data collection.
The study builds on a web-based questionnaire sent out to all leaders in a large Norwegian municipality in the spring of 2008. There was a total population of 189 leaders; 155 of these returned the questionnaire, giving a response rate of 82%. 63% of the responses came from the education sector; 28% from health and welfare; and the remainder were distributed between the sectors of culture, urban development, finance, and organisation. This indicates that the majority of the respondents are leaders of nursery schools, primary and lower secondary schools, nursing homes, home nursing care and social services. Over the past ten years, the municipality has implemented a series of organisational reforms based on New Public Management strategies. In 1998 a new two-tier structure introduced two levels of authority: the municipal chief administrative officer versus the municipal departments. The departmental heads were given extended responsibilities, and the introduction of management contracts meant a stronger focus on performance. At the same time, the buyer-supplier model was introduced as the guiding management principle. In addition, the municipality’s cleaning services have been put out to competitive tender; regular user and employee surveys are conducted by the municipal authorities; and performance and cost control is a major concern.

3.2 Measuring instruments
An instrument was created on the basis of a Danish survey of the public sector (Vrangbæk 2009). Our questionnaire included the following values:
Politcal loyalty | Public insight/ transparency
---|---
Due process | Listening to public opinion
Professional standards | Equal opportunities
Balancing different interests | Continuity
Meeting the needs of individual users | Renewal and innovation
High productivity | Career opportunities
Accountability to society at large | User democracy
Networking | 

Table 1: Values included in the questionnaire

In relation to these values, the following questions were asked:

1. Please tick the three most important values in the day-to-day operations.
2. Have any of these values become more difficult to live up to over the past 10 years?
3. Have any of these values become more prominent in the day-to-day work over the past 10 years?
4. Have any of these values become less prominent over the past 10 years?

Furthermore, one question explored the perceived importance of different personal qualities for the staff members’ ability to function well in the job context. Here, too, we used the survey from the mentioned Danish study as our basis (Vrangbæk 2009). For each quality, the respondents were asked to give a graded assessment on a five-step scale, ranging from “Insignificant” to “Fundamentally important”. The following qualities were listed:

| Ability to read the political situation | Personal integrity |
| Ethical awareness | Professional drive |
| Willingness to take risks | Awareness of economic consequences |
| Loyalty to rules | Social proficiency |
| Ability to adapt | Innovativeness |

Table 2: Qualities the respondents were asked to grade
4.0 Results

On the basis of the respondents’ indications of the values they considered to be most important, as most difficult to live up to, and as having become more prominent or less so over the past ten years, we worked out the percentage figures for the proportion of respondents who had ticked each value. Based on these figures, we generated a ranking of the values in relation to the different questions. The results are shown in Table 3.

<table>
<thead>
<tr>
<th>Values</th>
<th>Importance</th>
<th>Difficult to live up to</th>
<th>Less important</th>
<th>More important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional standards</td>
<td>1</td>
<td>6</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Meeting the needs of individual users</td>
<td>2</td>
<td>1</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Due process</td>
<td>3</td>
<td>12</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>Loyalty to political decisions</td>
<td>4</td>
<td>5</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Renewal and innovation</td>
<td>5</td>
<td>10</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Continuity</td>
<td>6</td>
<td>2</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Accountability to society at large</td>
<td>7</td>
<td>14</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>User democracy</td>
<td>8</td>
<td>9</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>Balancing different interests</td>
<td>9</td>
<td>3</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>High productivity</td>
<td>10</td>
<td>8</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Public insight/transparency</td>
<td>11</td>
<td>13</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Listening to public opinion</td>
<td>11</td>
<td>6</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Networking</td>
<td>13</td>
<td>11</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Equal opportunities</td>
<td>14</td>
<td>15</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Career opportunities</td>
<td>14</td>
<td>4</td>
<td>2</td>
<td>14</td>
</tr>
</tbody>
</table>

Table 3: A ranking of the most important values; the values which are the most difficult ones to live up to; the values which have become less important over the past decade; and the values which have become more important over the last decade.
To measure the relative importance of different personal qualities among the staff members, the respondents were asked to indicate their answers according to a five-point scale. Table 4 shows the responses, ranked according to frequency.

<table>
<thead>
<tr>
<th>Quality</th>
<th>Importance</th>
<th>Average</th>
<th>Std.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical awareness</td>
<td>1</td>
<td>4.92</td>
<td>.269</td>
</tr>
<tr>
<td>Professional drive</td>
<td>2</td>
<td>4.91</td>
<td>.288</td>
</tr>
<tr>
<td>Personal integrity</td>
<td>3</td>
<td>4.83</td>
<td>.397</td>
</tr>
<tr>
<td>Ability to adapt</td>
<td>4</td>
<td>4.66</td>
<td>.526</td>
</tr>
<tr>
<td>Capacity for innovation</td>
<td>5</td>
<td>4.64</td>
<td>.568</td>
</tr>
<tr>
<td>Loyalty to rules</td>
<td>6</td>
<td>4.61</td>
<td>.629</td>
</tr>
<tr>
<td>Social proficiency</td>
<td>7</td>
<td>4.31</td>
<td>.757</td>
</tr>
<tr>
<td>Ability to read the political situation</td>
<td>8</td>
<td>3.91</td>
<td>.876</td>
</tr>
<tr>
<td>Awareness of economic consequences</td>
<td>9</td>
<td>3.83</td>
<td>.862</td>
</tr>
<tr>
<td>Willingness to take risks</td>
<td>10</td>
<td>3.39</td>
<td>.883</td>
</tr>
</tbody>
</table>

Table 4: The relative importance of different personal qualities among the staff members

5.0 Discussion

The results from our survey show that the values held by the municipal leaders are changing. Some values have become less important, whereas others have come more to the fore in recent years. This is supplemented by the results identifying the personal qualities valued by leaders in their staff members. The qualities considered important for the ability to do a good job also give a good impression of how the leaders prioritise between different values. The fact that ethical awareness is the top priority whereas awareness of economic consequences is ranked as the least important quality gives a clear indication of the leaders’ priorities.

If we examine the results in closer detail, we see that the five values which are considered the most important ones are also reported to be the ones whose importance has increased the most over the past decade. This is an interesting result which indicates that the values which are given more focus are also perceived as more important. The results do not shed any light on the nature of this process, but one possible interpretation is that we are faced with processes of meaning-generation in the public arena which influence the leaders’ assessment of which values are of great importance, and which ones are less so. If this is the case, it may be part of a process of identity creation where a cognitive dimension is dominant during the
initial phase of the value modification. If we also presume that organisational identity is created in a process which involves values, identity, and organisational image (Hatch & Schultz 2002), the results can be interpreted as an indication of mutual adaptation between identity and image. If so, social discourses about the fundamental values of the public sector have influenced the organisational identity of the departmental leaders.

This line of reasoning is supported by the fact that two of the most important values according to our survey have a clear connection to the New Public Management agenda, namely meeting the needs of individual users, and renewal/innovation. These values are regarded as highly important, and they also come out as the top-ranking values in terms of increased importance over the past ten years. There has been a strong focus on user orientation in NPM, and in Norway this has led to the legal requirement imposed upon the health sector that an individual plan must be prepared for each patient. There is a corresponding increased focus on the pupils/students in the school sector, where student and parent surveys are in active use. The results also indicate that meeting the needs of individual users is a value which is considered difficult to live up to – in contrast to the value of renewal/innovation. The reason could be that establishing and following up plans for individual users may be a demanding undertaking in terms of scarce resources.

Renewal and modernisation have also been dominant factors in recent years, with the implementation of a series of reforms in most areas of public activity. It is therefore interesting to register that the value of “innovation/renewal” is perceived both as very important, and as having gained increased importance over the past decade. If we compare this to a corresponding study from Denmark (Vrangbæk 2009), we find that there are great similarities between the two studies on this point. Renewal/innovation enjoys an even stronger position in Denmark according to the Danish study, where it comes out top both in terms of importance and of increased significance over the past decade – compared to fifth and second place in our survey. Its importance is supported by the fact that the leaders regard an “ability to adjust” and a “capacity for innovation” as important staff member qualities. All in all, then, this shows that renewal/innovation seems to have become established as a central value in the public sector – an impression which is strengthened even further by the fact that the value of “continuity” is ranked as less important, assessed as having lost importance over the past ten years, and considered difficult to live up to.

Another interesting result is that professional standards are considered the most important value by our respondents, and that the importance of this value has increased over the past ten years. These points also emerge clearly from the responses regarding what constitute the most
important personal qualities for staff members. The three most important qualities emerged to be ethical awareness, professional drive, and personal integrity – showing a strong focus on the professional values. “Professional standards” is a traditional public value which has always enjoyed a central position (Beck Jørgensen 2003a). What is special about this value is that it captures the core of professional activities. What all public professions have in common is that they represent a given body of knowledge; they build on ethical guidelines; they represent a form of altruism; and they exert discretionary powers within an unclear context (Previts 1958). Other characteristics which are often mentioned are the fact that the members of a profession have a specific education; they have a shared responsibility for knowledge development; and their identity is strongly tied to the profession (Parkan 2008). Central professional values here are accountability, integrity, objectivity, independence, and high-quality services (Brown, Morris & Wilder 2006). Thus, “independent professional standards” is a collective term which describes central values within the public professions. These values are necessary in order to ensure high-quality performance in situations which typically involve great autonomy and freedom in the execution of the work. The results can be interpreted as showing that a professional orientation remains central within municipal service provision.

Another interesting result is that the value “accountability to society at large” has become less important over the past decade (ranked as number four), at the same time as it is ranked somewhat low with regard to current importance – as number seven. This is an indication that NPM, with its strong focus on user orientation and performance control may have led to a reduced focus on public employees’ general responsibility in relation to social developments. Through deregulation and decentralisation, NPM has also brought about a greater fragmentation of the public sector (Sand 2004), and this may have led the respondents to focus more strongly on their own unit, and to reduce their focus on the general social task correspondingly.

The public ethos has no fixed set of conceptual boundaries, but Lundquist (1998) connects the concept to democratic values and according to Beck Jørgensen (2003a) the public ethos consists of the values accountability to society at large, public insight/transparency, due process, and independent professional standards are central values. In Table 5 we have lifted these values out of the survey.
Table 5: Values tied to the public ethos

Table 5 shows that there are great variations between the different values tied to the public ethos in terms of their perceived importance. Professional standards are ranked first, whereas public insight/transparency is ranked relatively far down the list. At the same time, we see that these values are not considered particularly difficult to live up to, and that they differ greatly in terms of whether their importance has changed over the past decade. Professional standards and due process have gained greater importance, whereas accountability to society at large has become less important, and public insight/transparency seems not to have been under any particularly hard pressure.

Of the values included in our survey, productivity is the one which above all represents what Lundquist (1998) calls economic values. Our respondents rank productivity as number 10 in terms of importance, and gave no indications that the importance of this value has changed over the past decade. This is a surprising result given the fact that there has been a strong focus on the municipal economy throughout this period. This provides a contrast to the development concerning “meeting the needs of individual users”, where a clear leadership focus seems to have increased the values perceived importance. A possible explanation for this difference could be that values are organised as clusters (Beck-Jørgensen 2006), and that the needs of individual users are found in a cluster of professional values. A pressure to establish individual plans may in this case have helped the concept’s upward motion towards greater status. If productivity is found in a cluster of economic values distant from professional values, this can explain why great pressure does not result in altered status for this particular value.

The low importance attributed to economic values is also apparent from the results tied to desirable personal qualities in the staff members. Awareness of economic consequences and a
willingness to take risks achieved the lowest ranking of all the included qualities. Based on the above, it is reasonable to conclude that values tied to the public ethos enjoy a considerably higher status than economic ones. This supports the conclusions from a Danish study (Vrangbæk 2009) that central public values still enjoy strong support among the respondents. Even after 30 years of New Public Management reforms the traditional values remain in place.

The results from our survey show that the process of institutional reform which has been a staple feature of the public sector in recent years has put central public values under pressure. Parallel to this development, many of the values tied to changes implemented as part of the wave of New Public Management reforms have been strengthened. This is particularly the case for values as innovation and user orientation, whereas more typically economic values remain weak. These developments may indicate that the public sector’s landscape of values is changing, and that that in the long run, traditional values will increasingly come under pressure from new values tied to the ongoing modernisation process.

6.0 Practical implications for leaders

Our study shows that values in the public sector, and values associated with public services, are in flux. We argue that this have practical leadership implications, and argue that these changes create a need for value-based leadership. In this section we explore the concept of value-based leadership more closely in a discussion of the leadership and management approaches required by the new situation. Changing values have a significant impact on work processes, employee identity, work climate and employee achievements. Managers in the public sector need to be fully aware of the importance of working with values in their organizations, and in order to produce the desired results, they need to consciously pursue this kind of work.

Value-based leadership is an action-based leadership style that takes into account dynamic and changing values and identities. The original concept of value-based leadership was presented by House (1996), and was closely linked to the concepts of transformational and charismatic leadership (MacTavish & Kolb, 2008). According to House (1996), value-based leadership rests primarily on two leadership dimensions: a) making values visible and meaningful, and b) creating moral engagement in the organization. We argue that in a Scandinavian perspective, three additional dimensions are important: a) the goals must reflect the terminal values, b) the leadership behavior must reflect the instrumental values, and c) the
leaders must create a language suitable for integrating values in the leadership processes (Johnsen, 2002).

What values should be the focus of public sector leaders, then? In professional organizations where the employees enjoy a great deal of autonomy in the execution of their work, it is important to cultivate values which allow them to develop strong bonds of identification with their organization. Research has shown this to be highly significant in relation to factors such as job and organizational satisfaction, job involvement, and work performance (Riketta 2005). All of these are crucially important dimensions in any effort to create the involvement that value-based leadership rests upon. Organizational identification is defined as a situation where the employees perceive themselves to be one with the organization (Mael & Ashforth, 1992). This means that in order to ensure a high degree of organizational identification, it is important to develop organizational values with a high degree of correspondence to the values of the individuals who belong to the organization. Since the professionals’ individual values tend to reflect the values of their professions (Parkan, 2008) leaders must engage in a process of interpretation and meaning generation that takes into account all of these factors: the values of the organization, the professional values involved, and the values of the individuals. The aim must be to close the gap between the values of the organization and the values held by the individuals since this gap tends to produce disidentification, which has a negative impact on the organization.

Organizational identification is operationalized as the degree of concurrence between existing and desired organizational identity as perceived by the members of the organization (Foreman & Whetten, 2002; Reger et al., 1994; Whetten et al., 1992). This indicates that in a situation where values are changing radically, active identity management is of great importance. Ensuring that the value development process avoids the pitfalls of organizational narcissism or hyperadaptation is the greatest challenge in this context (Hatch & Schultz, 2002). The central leadership task is therefore to negotiate the tension between the existing cultural values of the organization and the pressure exerted by the institutional environment to adopt new values in a manner that prevents the organization from plunging into dysfunctional processes.

Value-based leadership thus places great demands on public sector leaders. However, in a situation of rapid and radical change in terms of the public sector’s basic values, value-based leadership seems to offer one of the few ways, or perhaps even the only way, forward. The values public organizations build on have always been important, and they have not become less so in a world where the identity of the public sector is questioned and challenged. Public
sector leaders must therefore be consciously aware of their own attitudes, not only to the values of their organization, but also to the values that should form the foundation of the public sector in the future.
References


