Work Values in European Countries: Empirical Evidence and Explanations

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Abstract

This exploratory study mapped work values in European countries and examined socio-economic and cultural explanations of between-country differences in the relative importance of various work values. The data from the latest wave of the European Values Study (EVS) covered 45 European countries. Exploratory factor analysis was used in order to capture the information of initial indicators into a reasonable number of dimensions. It was confirmed that extrinsic (instrumental) work values have more importance in countries with a lower level of socio-economic development. Regarding cultural explanations, no effect of individualism-collectivism was found, but uncertainty avoidance turned out to be positively correlated with affective work values and negatively with self-actualisation.

Keywords: *work values, Europe, Maslow's hierarchy, cultural dimension.*

JEL classification: J28, J81, M12

Introduction

There is no doubt that values play an important role in determining people's behaviour. There is broad literature about values in general as well as about values concerning specific life domains. In the context of international management, work values are especially important: what people want from their jobs, which rewards they seek etc. It is known that like general values, work values, too, vary significantly across countries. Considering European integration and the internationalisation of organisations, it is ever more important to understand differences across cultures.

The aim of this paper is to map work values in European countries using data from the latest (2008) wave of the European Values Study (EVS, 2010) and to examine possible explanations of between-country differences in the relative importance of various work values. Altogether, 45 European countries are covered in the analysis, including both the old member states of the European Union (and other countries with no communist background) and transition countries. In order to structure work values, Maslow's hierarchy is used and this structure is tested with the

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assistance of exploratory factor analysis. Socio-economic and cultural explanations of the differences in the relative importance of work values are studied.

The paper is structured as follows. Section 2 presents the theoretical background and Section 3 introduces the data. Section 4 gives the results and Section 5 discusses the results. Section 6 summarises the article and points out the limitations that future research could eliminate.

1. The structure of work values

There are many definitions of values in the literature (e.g. see Roe and Ester, 1999). Shortly, values can be defined as desirable states of affairs, objects, behaviours, situations etc. Work values have been defined as the desirable outcomes individuals feel they should obtain through work (Sagie, Elizur and Koslowsky, 1996; Twenge et al., 2010). The most widely used classification of work values divides them into two broad classes: intrinsic and extrinsic values (Elizur et al., 1991; Ros, Schwartz and Surkiss, 1999; Twenge et al., 2010). Extrinsic values cover tangible outcomes or rewards of work, such as high income, material possessions, generous holidays, working conditions, a good pension plan, job security etc. These outcomes can be viewed as external to the individual, as there is no direct link between the individual's work tasks and the outcomes. Intrinsic values, in contrast, are intangible rewards related to the process of work, for example an interesting job, autonomy, challenges, the opportunity to be creative, recognition, achieving something that has impact on others.

Elizur (1984) introduced a trichotomous classification of values based on the modality of respective outcomes. The first type of work values is called instrumental (or material) and these values coincide with the extrinsic values described before. The second type is referred to as affective values and these can be viewed as social values related to interpersonal relations: belonging, being loved, a fair supervisor, acceptance, esteem, a responsible job, etc. The third type, called cognitive values, is related to interest, achievement, independence, etc. and may be considered as psychological rather than social or material values. Thus, this classification divides intrinsic values into affective and cognitive values.

Regarding the relative importance of these value types in different countries, two explanatory frameworks can be pointed out: socio-economic and cultural explanations (Huang and van de Vliert, 2003). The socio-economic framework is based on Maslow's (1943) need-gratification theory. Maslow arranged different human needs into a five-level hierarchy starting from basic physiological needs followed by safety, love, esteem, and self-actualization. According to Maslow, the next levels are not important to an individual, if the needs on previous level are not gratified; and if the needs of a particular level are gratified, they become unimportant and the next level supersedes. That means, for example, that extrinsic values related to basic needs are much more important in poorer countries and they become less important in richer countries where people take material outcomes as granted; Huang and van de Vliert (2003) give an overview of supporting empirical evidence. The

comparison of the previously described classifications of work values and Maslow's hierarchy shows that it is quite easy to draw parallels between them. For example, Selmer and Littrell (2010) used a classification of work values associated with Maslow's hierarchy as their framework. Table 1 presents the comparison of two traditional classifications of work values and Maslow's hierarchy.

Table 1. Association of work values and respective levels of Maslow's hierarchy

Broad classification of work values	Elizur's classification of work values	Corresponding level of Maslow's hierarchy	Examples of respective work values
Extrinsic values	Incremental (material values)	Physiological needs	High income, material possessions, generous holidays, good working conditions, good pension plan
		Safety needs	Job security, permanent job
Intrinsic values	Affective (social) values	Love (affiliation) needs	Belonging, being loved, contact with people, agreeable colleagues, fair supervisor
		Esteem needs	Acceptance, esteem, responsible job
	Cognitive (psychological) values	Self-actualisation needs	Interesting job, achievement, use of ability, independence, opportunity to use initiative and be creative

The second set of explanations connected to cultural differences both opposes and complements socio-economic explanations based on Maslow's theory. The high importance of a particular type of values does not necessarily mean that the needs on lower levels are gratified. The relative importance of different value types, especially in the case of needs higher than the basic, strongly depends on culture. Hofstede (1984) has pointed out that the ordering of needs in Maslow's hierarchy represents the value system of an individualistic culture as individualistic values such as self-actualisation and autonomy are placed on the top of the hierarchy. Hence, it is reasonable to assume that in collectivistic cultures affective values like acceptance and esteem rather than self-centred cognitive values are placed on a higher level. There are other dimensions beside individualism-collectivism as well: a vast set of different characteristics and cultural dimensions may play a role in determining the relative importance of particular work values. To give just one example, the need for esteem can be expected to be higher in cultures with high uncertainty avoidance, while the importance of self-actualisation may remain quite low. The total effect of all different cultural characteristics, however, seems quite complicated to predict.

2. Data

The data about work values were drawn from the European Values Study (EVS, 2010). The questions used can be seen, for example, in Table 2. The EVS is a multi-country survey that is repeated every nine years and covers an increasing number of European countries. In this paper, the data from the latest wave in 2008 are used covering 45 European countries (only the microstates, such as Andorra, Liechtenstein, Monaco, San Marino and Vatican City are left out). There are about 1,500 respondents interviewed in every country (in some countries this number is smaller or larger, though: the number of respondents ranges from 808 to 2,326).

The country-level indicators used in the current paper were obtained by aggregating individual-level data using the EVS-provided weights in order to ensure that the data would be representative of the demographic structure of a country. As the questions asked, whether a particular work value is (coded as 1) or is not (coded as 0) important for the respondent, the aggregated variables (means of individual data) show the share of those for whom the particular value is important.

In order to interpret the results, some background variables were also used. The state of wealth was described by two variables drawn from Eurostat (2011): disposable income (the latest observations were from 2007) and GDP (2008), both were measured per capita in PPS (Purchase Power Standard). Social capital is described by two variables aggregated from the EVS (2008): trust (the share of people who answered "people can be trusted" against "can't be too careful") and belonging to organisations (the average number of organisations mentioned). Last, Hofstede's (2001) scores of cultural dimensions were used in order to describe cultural differences.

3. Results

In order to analyse the structure of work values and to capture the information of initial indicators into a reasonable number of dimensions, exploratory factor analysis (the principal components method, equamax rotation) was conducted. First, when "eigenvalue larger than 1" was used as a criterion, all initial indicators loaded into two factors which are clearly corresponding to extrinsic and intrinsic values. The results of the first factor analysis are presented in Table 2.

Table 2. Latent factors of intrinsic and extrinsic values: indicators, factor loadings and variance explained

Indicators Importance in a job of following:	Intrinsic values	Extrinsic values
use initiative	**0.93**	0.18
achieving something	**0.89**	0.30
responsible job	**0.86**	0.24
meeting people	**0.84**	0.44
useful for society	**0.76**	0.50
interesting job	**0.67**	0.29

good pay	0.10	**0.95**
good hours	0.42	**0.82**
generous holidays	0.36	**0.80**
job security	0.40	**0.71**
Variance explained (%)	46.23	34.41
Cumulative variance explained (%)	46.23	80.64
KMO measure of sampling adequacy	0.86	

Next, for a deeper examination of the work values structure and for obtaining factors corresponding to the structure presented in Table 1, factor analysis was repeated, concurrently increasing the number of factors. It appeared that five factors was the optimal solution giving the best fit while keeping the number of factors reasonable. The results are presented in Table 3. It appeared that the data fit the Maslow's hierarchy quite well. The first factor covering good pay, generous holidays and good hours corresponds to physiological needs. The second part of incremental values related to safety needs is described by the fifth factor. Next, the second factor reflects affective values, encompassing both love (meeting people) and esteem (useful for society, a responsible job). The cognitive values are described by two factors. The essence of self-actualisation is covered by the third factor (using initiative, achieving something), and the more hedonistic aspect is covered with the fourth factor (an interesting job). It can also be seen that five factors explain 94.19% of variance in the initial indicators, whereas two factors manage to explain 80.64% of variance. The factor scores from both analyses were saved and can be seen in Appendix A.

The mapping of European countries according to extrinsic and intrinsic values (see Figure 1) indicates that extrinsic values are clearly less important in richer countries (so called old Western economies) and far more important in poorer countries, including transition countries.

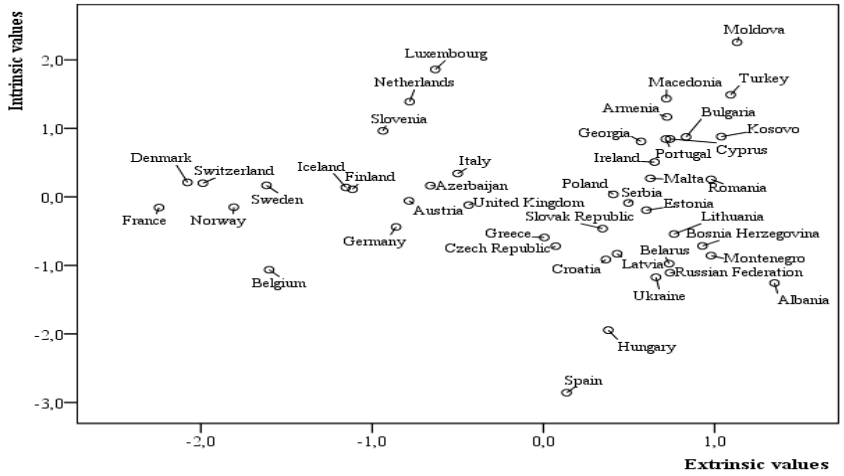

Figure 1. European countries according to extrinsic and intrinsic values

Table 3. Latent factors of work values: indicators, factor loadings and variance explained

Indicators Importance in a job of following:	Physiological	Affective	Self-actualisation	Interest	Security
generous holidays	**0.82**	0.15	0.39	0.18	0.23
good pay	**0.81**	0.20	-0.15	0.25	0.42
good hours	**0.72**	0.30	0.27	0.20	0.39
useful for society	0.34	**0.76**	0.33	0.23	0.34
responsible job	0.07	**0.71**	0.50	0.21	0.32
meeting people	0.35	**0.67**	0.40	0.45	0.18
use initiative	0.13	0.42	**0.74**	0.43	0.13
achieving something	0.11	0.38	**0.65**	0.44	0.42
interesting job	0.16	0.14	0.23	**0.92**	0.19
job security	0.30	0.18	0.17	0.19	**0.89**
Variance explained (%)	22.22	20.41	18.16	16.91	16.49
Cumulative variance explained (%)	22.22	42.63	60.79	77.69	94.19
KMO measure of sampling adequacy	0.86				

Plotting extrinsic values against the disposable income and GDP per capita (see Figure 2) even more clearly demonstrates that tendency (unfortunately, information was available only for 24 and 32 countries, respectively). Extrinsic values appear to be strongly correlated with the disposable income and GDP per capita (correlation coefficients -0.68 and -0.77, respectively, both significant at the 0.01 level). This result indicates that in countries, where incremental needs are less gratified, incremental values are more important.

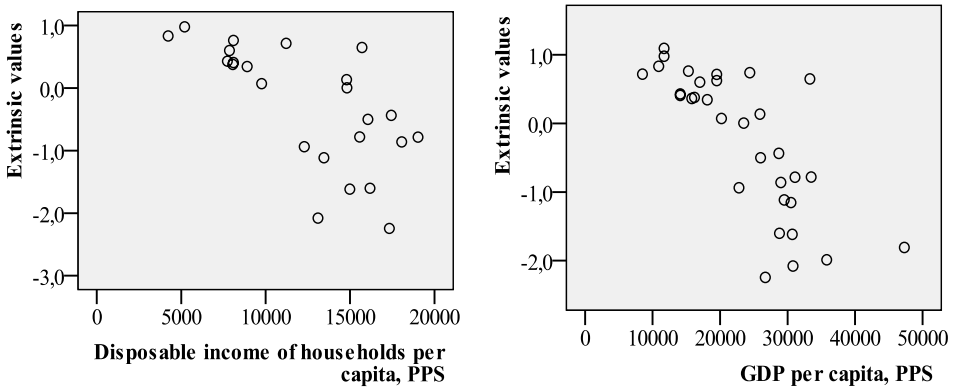

Figure 2. Extrinsic values plotted against the disposable income and GDP

At the same time, no visible tendencies or regularities can be found on Figure 1 regarding intrinsic values as such. Hence, a more detailed division of work values (such as in Table 3) may become useful. Figure 3 maps European countries according to affective and self-actualisation values, for example. It seems that no patterns can be found here, but examining the relationships with some background variables (possible factors determining work values) could be very helpful. For instance, affective values are related to the desire for love and good relations with others. The latter, in turn, is closely related to the concept of social capital. Examining the relationship of affective values with trust and belonging to organisations as the two main indicators of social capital shows that in countries with a lower level of trust and belonging to organisations, people tend to put more emphasis on affective values (see Figure 4). The correlation coefficients with trust and belonging to organisations are -0.58 and -0.37 respectively (39 observations, significant at the 0.01 level). This could mean that in countries, where affective needs are less gratified, affective values are more important.

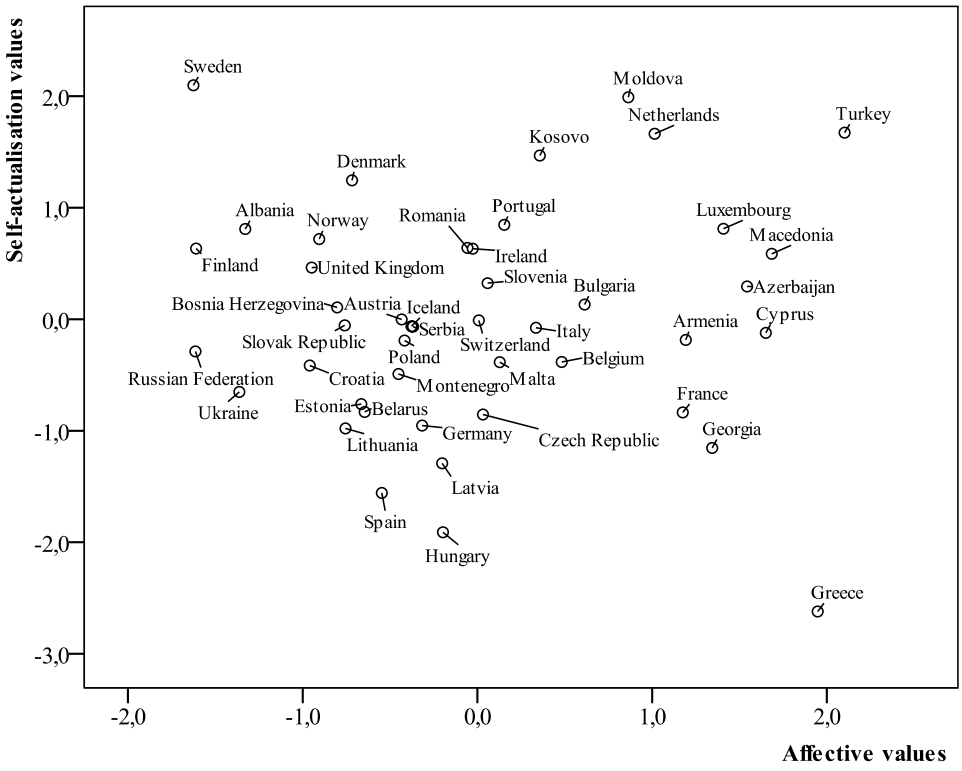

Figure 3. European countries according to affective and self-actualisation values

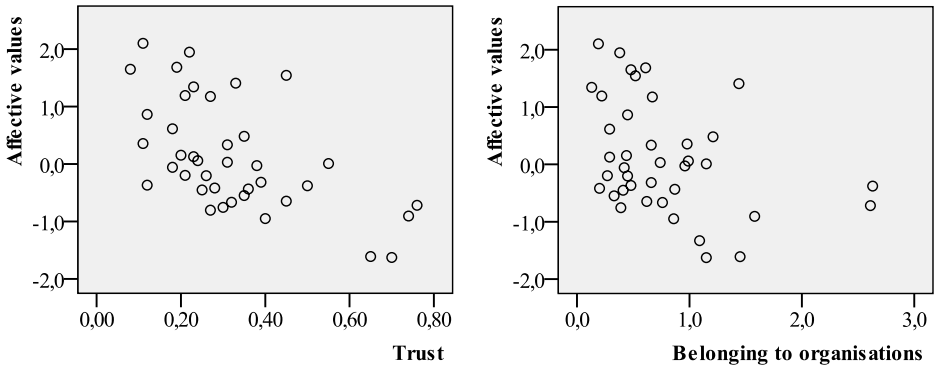

Figure 4. Affective values plotted against social capital

Regarding cultural explanations, no relationship was found between affective or cognitive values and the dimension of individualism-collectivism. This could be so because European countries can be viewed as a quite homogeneous sample concerning individualism-collectivism. However, it turned out, for example that in countries with a higher level of uncertainty avoidance, the affective values are more important (see Figure 5). The respective correlation coefficient is 0.56 (27 observations, significant at the 0.01 level). Hence, the need to avoid uncertainty is related to the need to have a certain place in society, recognition and belonging. At the same time, self-actualisation values are negatively related to uncertainty avoidance (the correlation coefficient is -0.52, 27 observations, significant at the 0.01 level). Thus, lower levels of uncertainty avoidance allow more ambitious values: people put more emphasis on initiative and achievement that are connected to risk in a sense.

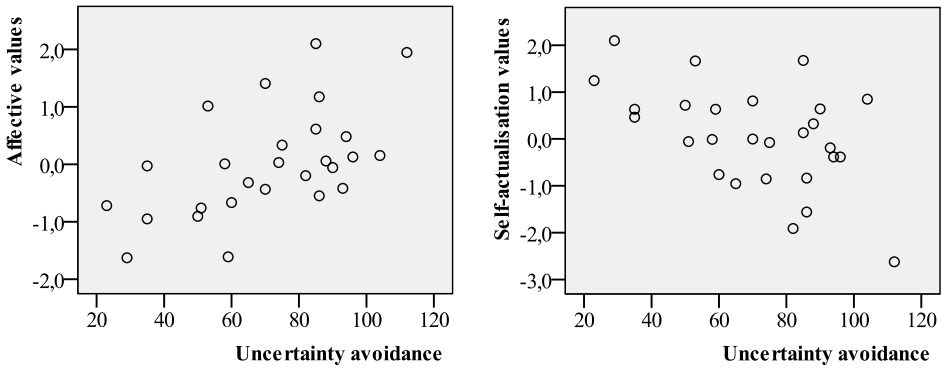

Figure 5. Affective and self-actualisation values plotted against uncertainty avoidance

There was no significant relationship found between the fifth factor named interest (interesting job) and cultural dimensions. Thus, this more hedonistic value has probably some unanalysed antecedents.

4. Discussion

The results of this paper provide strong support to the assumption that the relative importance of work values depends on the level of gratification of particular values. First, extrinsic (instrumental) values are more important in countries with a lower level of socio-economic development. Second, affective values covering love and belonging are more important in countries with a lower level of trust and belonging to organisations. Hence, the results confirm that if particular needs are gratified, they become significantly less important.

The results also indicate that cultural differences have a significant role in explaining the differences in the relative importance of work values. Uncertainty avoidance seems to be an important determinant of affective and cognitive work values, while individualism-collectivism has no correlation with work values – probably due to the relative similarity of European countries concerning individualism-collectivism. The results confirm the assumption made earlier: in cultures with high uncertainty avoidance affective values, including the need for esteem, appeared to be higher and the importance of self-actualisation turned out to be lower. However, there are more explanations to explore, for example, in relation to the value called "interest".

Conclusions

This paper mapped work values in 45 European countries according to the latest data from the European Values Study (EVS). Regarding the possible explanations of the relative importance of work values, the idea based on Maslow's need-gratification theory was confirmed: extrinsic (instrumental) work values turned out to have more importance in countries with a lower level of socio-economic development. Beside socio-economic explanations, cultural explanations play a role as well. Although the individualism-collectivism dimension was not related to affective or cognitive work values, the dimension of uncertainty avoidance appeared to be positively correlated with affective work values and negatively with self-actualisation (cognitive) work values.

Nevertheless, it needs to be pointed out that the formation of work values is a very complicated process and for a better understanding of this process, a large set of possible factors (e.g. historical, cultural, political, environmental) are yet to be analysed. Regarding other limitations, the data used for describing cultural dimensions mostly originate from the 1970s. Although culture does not change fast, it is still possible that some changes have occurred in the last 40 years. In addition, it was a very complicated task to find background variables covering all countries included in this analysis. Therefore, background variables used here (including cultural dimensions) all had more or less missing values. Although general tendencies are probably not converted after filling the gaps, it would provide valuable additional information for the research of possible determinants of work values.

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Appendix A.

Factor scores reflecting work values

	Extrinsic	Intrinsic	Physio-	Security	Affec-	Selfactu-	Interest
Albania	1.35	-1.26	1.73	0.39	-1.33	0.81	-1.88
Armenia	0.72	1.17	0.39	0.36	1.19	-0.19	1.26
Azerbaijan	-0.66	0.16	-0.25	-0.78	1.54	0.29	-1.75
Austria	-0.78	-0.06	-1.16	0.51	-0.43	0.00	-0.02
Belarus	0.73	-0.97	1.52	-1.34	-0.65	-0.83	0.63
Belgium	-1.60	-1.06	-0.45	-2.33	0.48	-0.38	-1.71
Bosnia-Herzegovina	0.93	-0.72	1.32	-0.22	-0.80	0.11	-0.31
Bulgaria	0.83	0.87	0.34	0.90	0.61	0.13	0.73
Croatia	0.36	-0.91	0.32	0.28	-0.96	-0.41	-0.22
Czech Republic	0.07	-0.72	0.34	-0.60	0.03	-0.85	-0.13
Cyprus	0.74	0.84	0.12	1.08	1.65	-0.12	-0.35
Denmark	-2.08	0.21	-1.46	-1.29	-0.72	1.25	-0.32
Estonia	0.60	-0.19	0.56	-0.07	-0.66	-0.76	1.59
Finland	-1.11	0.11	-1.53	0.64	-1.61	0.63	0.77
France	-2.24	-0.16	-1.43	-2.37	1.18	-0.84	-0.22
Georgia	0.57	0.81	-0.42	1.28	1.34	-1.15	1.17
Germany	-0.86	-0.44	-1.81	1.30	-0.32	-0.95	-0.07
Greece	0.01	-0.59	0.00	-0.81	1.95	-2.62	0.22
Hungary	0.38	-1.94	-0.62	1.87	-0.20	-1.91	-2.00
Iceland	-1.15	0.14	-0.80	-1.08	-0.38	-0.06	0.99
Ireland	0.65	0.51	0.64	0.26	-0.03	0.63	0.31
Italy	-0.50	0.34	-0.95	0.58	0.34	-0.08	0.02
Kosovo	1.04	0.88	1.10	0.49	0.36	1.47	-0.48
Latvia	0.43	-0.83	0.60	-0.48	-0.20	-1.29	0.54
Lithuania	0.76	-0.54	0.84	-0.21	-0.76	-0.98	1.37
Luxembourg	-0.63	1.86	-0.69	-0.33	1.41	0.81	1.07
Macedonia	0.72	1.43	0.47	0.46	1.68	0.59	0.16
Malta	0.62	0.27	0.12	0.85	0.13	-0.39	0.71
Moldova	1.13	2.26	1.17	0.28	0.86	1.99	1.20
Montenegro	0.98	-0.86	1.30	-0.27	-0.45	-0.49	-0.21
Netherlands	-0.78	1.39	0.77	-2.87	1.01	1.66	0.50
Norway	-1.81	-0.15	-2.02	0.26	-0.91	0.72	-0.75
Poland	0.41	0.04	0.05	0.67	-0.42	-0.19	0.65
Portugal	0.71	0.84	0.42	0.81	0.15	0.85	0.29
Romania	0.98	0.26	0.81	0.75	-0.06	0.64	-0.31
Russian Federation	0.74	-1.11	0.93	0.04	-1.61	-0.29	0.22
Serbia	0.50	-0.09	-0.03	1.11	-0.37	-0.07	0.00
Slovak Republic	0.35	-0.46	0.47	-0.04	-0.76	-0.06	0.14
Slovenia	-0.94	0.96	-1.38	0.37	0.06	0.32	1.10
Spain	0.14	-2.86	0.58	-0.44	-0.55	-1.56	-3.00
Sweden	-1.62	0.17	-1.11	-0.60	-1.63	2.10	-0.61
Switzerland	-1.99	0.20	-2.07	-0.45	0.01	-0.01	0.08
Turkey	1.09	1.49	0.62	1.47	2.10	1.67	-2.00
Ukraine	0.66	-1.17	1.11	-0.61	-1.36	-0.65	0.51
United Kingdom	-0.44	-0.12	-0.48	0.16	-0.95	0.46	0.10