



VALUES MODES

Technical Manual

CULTURAL
DYNAMICS
It's all about people

Cultural Dynamics Strategy & Marketing Ltd.

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1. The Purpose of Values Modes

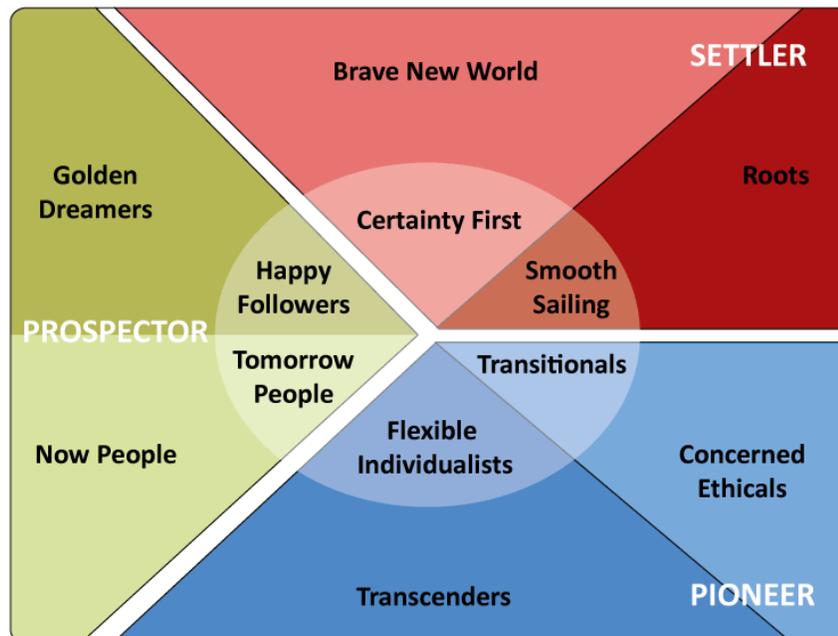
Over a quarter of a century of quantitative research has shown that the determining factor of why people do the things they do is a person's *values*.

- Values are *beliefs tied to emotion*- not objective ideas, and are mostly subconscious
- They are a *motivational construct*- referring to desirable goals people strive to attain
- They serve as standards and criteria for *choices* of all kinds
- They are *ordered* by importance relative to one another

Our behavior is sustained by values. When our values are aligned with our behavior, the behavior is healthy and sustainable. Behaviors that are in dissonance with our values are not sustainable. Values have been found to impact work motivation and attitudes¹. Moreover, when the values of an individual are congruent with policies and values at work, employees experience lower turnover intentions, higher satisfaction with their work, more organizational commitment, and increased job performance.²

Values Modes is based on quantitative and qualitative research that has been conducted since 1973, measuring the values, beliefs, and motivations of primarily the UK population, and recently expanding to over 40 countries. Values Modes can help organizations better understand the makeup of their employees, and how to better adapt policies to increase effectiveness and employee satisfaction at work.

Values Modes Framework



2. Theoretical Background

Over five decades of research into values has concluded that there are six main features of values³.

First, *values are beliefs that are linked to emotion*. Values are disconnected from objective thoughts, and often evoke strong emotions when activated.

Second, *values are goals*, such that individuals are motivated to engage in behaviors due to their values.

Third, *values are broad*, such that they do not only refer to specific contexts or situations. A value might guide our behavior in a broad range of situations and contexts, whereas attitudes are narrower and refer to a specific situation or object.

Fourth, *values serve as standards*, as they guide our decisions and behavior.

Fifth, *values are hierarchical*, as some values may have more or less importance compared to others.

Finally, sixth, *the combination of values guides action*, in which basic values can guide behavior in a certain direction, but other secondary values can change the extent to which the behavior is expressed.

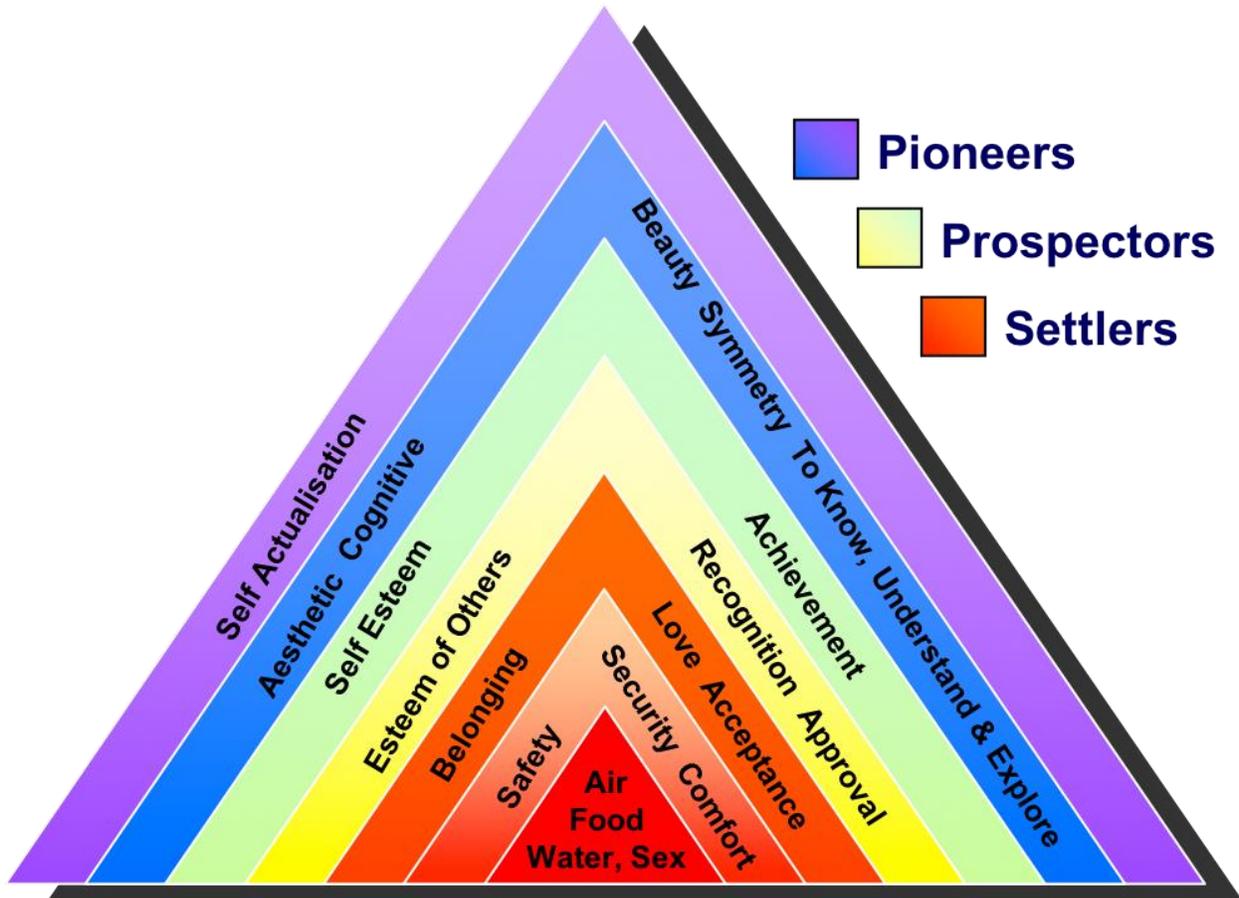
With the abundant amount of values present, an organizing framework is needed to understand how these values influence people and the way we behave. The Values Modes model is based, first and foremost, on the classifying of an individual according to the Maslow's Hierarchy of Needs, and Maslowian groups.

2.1. Maslow's Hierarchy of Needs

The American Psychologist, Abraham Maslow, developed a description of human motivators in the late 1940s. His model is known as "Maslow's Hierarchy of Needs". Maslow posited that every individual has a nested set of needs that they strive to satisfy in the course of their life. Everyone has the same set of needs, but, at any particular time, each person's most dominant need may be different. These different needs were also purposed to exist in a hierarchy, such that the person needs to satisfy more foundational needs before moving on to the next.

The first level describes an individual's need for basic survival, such as air, food and water. If these needs are met, an individual then experiences other drivers, such as safety and comfort. With each increase of level, the drivers become increasingly internal instead of external (from seeking affirmation from others, to seeking knowledge and understanding).

Maslow's Hierarchy of Needs



2.2. Maslowian Groups

Maslow further found that these needs could be grouped into three general factors.

1. Sustenance Driven
2. Outer Directed
3. Inner Directed

Sustenance needs are comprised of the basic physiological needs, and needs for security and comfort, belonging, and love and acceptance. Outer directed needs are comprised of the need to achieve, be recognized by others, and have self-esteem. Finally, inner directed needs are comprised of the needs for understanding and self-actualization. This model has been tested extensively in research and is one of the most cited frameworks with over 48000 citations.

Through empirical research, the Values Modes model integrates these three Maslowian groups into three value groups - Pioneer, Prospector, and Settler, each with four modalities.



3. Development of the Values Modes Assessment



The development of the Values Modes assessment initially began in the 1960s and early 1970s with pioneering values work. Until the millennium, the values assessment tool was a values segmentation, with seven values groups that had been developed empirically through cluster and factor analysis of several years of attitudinal surveys. To further develop this model, and to ground it in theory, a heuristic linkage was created between the groups and the three Maslowian groups based on a series of psychological attributes. The results suggested that the values assessment, which measured 7 groups, were subsumed in to three Maslowian groups. In other words, the Maslowian groups of Inner Directed, Outer Directed, or Sustenance Drive were the constructs underlying the values assessment.

3.1. Values Attributes and Algorithm

To increase the validity and reliability of the assessment, an algorithm was developed. The values assessment utilized a scale, such that a person would be placed in a values group based on a cluster analysis of their scores. However, this process is dependent on the sample, such that the cluster analysis results may differ slightly depending on who completed the assessment. An algorithm could increase the reliability, so that results would not be dependent on sample effects, but stable across all samples. In other words, shifts in values in society associated with time and events, and group characteristics of the individuals completing the survey will not impact the classification of the individual.

To achieve this, a sample of 5500 respondents was used. Each of the participants had already completed the assessment, and was interpretively assigned as “Inner Directed”, “Outer Directed” or “Sustenance Driven”. Using a battery of over 100 attitudinal questions, a discriminant analysis was performed to model the Maslowian group placement. Questions were iteratively eliminated to the point where further elimination began to impact the accuracy of the modelling. The final assessment comprises 20 items from which the algorithm computes where to place an individual in the Maslowian values space based on their answers to those questions.

To explore the validity of the Maslowian group placements, a set of 70 psychological attributes was used to study similarities and differences between the Maslow Groups. Valid placement of individuals into these groups should result in divergent and convergent validity, such that there are attributes the groups differ on significantly, and attributes that groups score similarly on. This validation exercise is an ongoing process- it is revisited at least once a year when a full survey is conducted, ensuring continual validity.

3.2.Values Modes

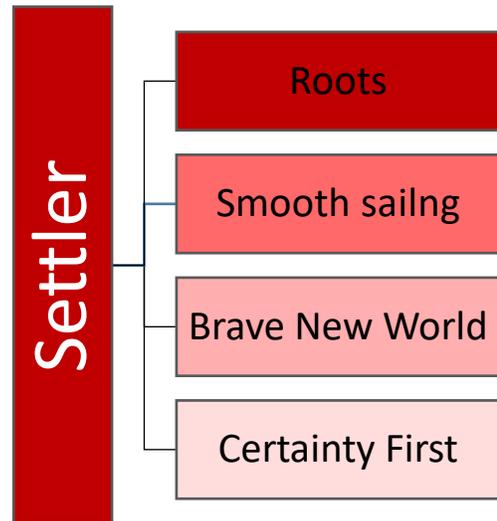
Maslow’s hierarchy is a developmental model, in which people may evolve from one group to another over a long period of time. For example, an individual could move from Sustenance Driven to Outer Directed. However, this does not mean that an individual will identify with another group over a short time period. Consequently, as individuals develop over time, some may retain some of their previous group mindset during the development process. For example, there may be Outer Directeds who still share a lot of their previous Sustenance Driven mind-set: and other Outer Directeds who are beginning to feel their oncoming Inner Directed state. Furthermore, individuals vary on the magnitude in which they endorse values overall. While some may very strongly endorse a value, others may endorse the value to a lesser degree.

These theoretical divisions were tested, and it was found that the three Maslowian groups were further divided into four sub areas, making a total of twelve different areas – six where values are strongly expressed, and six where values are less strongly expressed. These are the twelve Values Modes. Again, the psychological nature of the Values Modes is regularly re-examined, using the psychological attributes each time we conduct a survey, thus ensuring that they maintain their validity.

3.3.Values Modes Descriptions

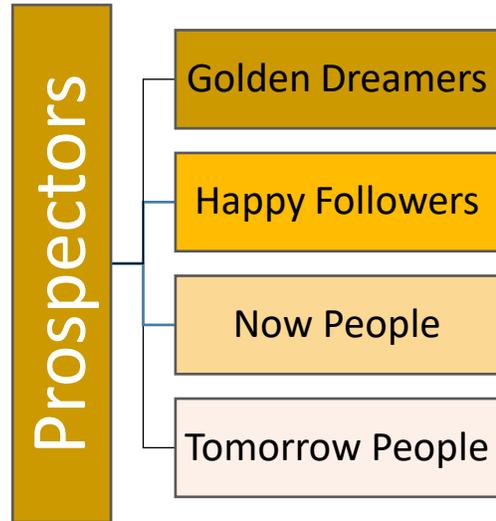
Settlers

This group is comprised of individuals who are Sustenance Driven. One of the principal Settler characteristics is the need of protecting the self. Settlers endorse many ‘traditional’ values, such that rules should be respected and obeyed, financial security is a focus, and that family and community are important. An underlying common theme across the value attributes that comprise the settler group is routine. Big or small, routines are a method to cope with the ambiguity of the world, and provides a comforting certainty.



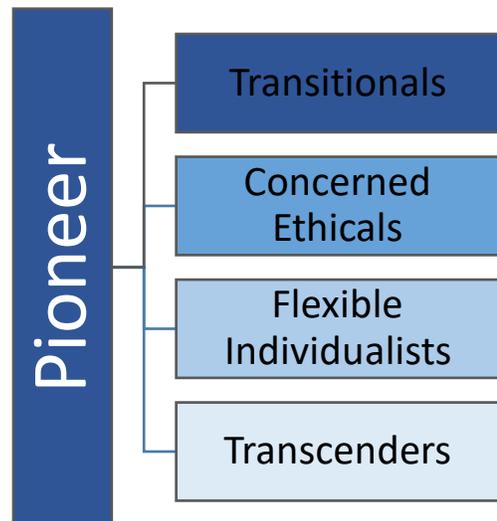
Prospectors

This group is comprised of individuals who are Outer Directed. Esteem is the principle value for this group. Individuals endorse optimism, and as a result are likely to take opportunities as they come. Success is highly valued by this group, and therefore related values that may showcase success are also emphasized such as taking care of one's appearance, health, and possessions. Prospectors also value ambition and power, and are often working hard to get results.



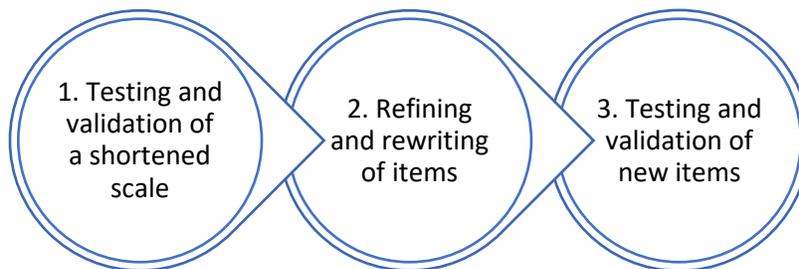
Pioneers

This group is comprised of individuals who are Inner Directed. Understanding is the primary value for Pioneers. These individuals are likely to endorse the idea that knowledge often results in better questions rather than more answers. Practicality is another value that is emphasized by Pioneers. They value change, activity, and variety. At work, Pioneers tend to prioritize job satisfaction and personal goal achievement.



3.4. Questionnaire Development

To assess the three groups and four facets of values, survey questions were constructed using a systematic process. There were three stages of development. With over 400 different value statements, however the number of items was reduced to deliver an effective, yet efficient, survey.



In the first stage, value items were reduced from 400 to 22. The items were retained if they optimized differentiation in Values Modes. For example, a question regarding whether an individual thinks that there should be capital punishment yielded a high level of difference, such that those who belong to one Values Mode would answer quite differently than those from another.

In the second stage, the items were refined from 22 to 20. The items were piloted by a field sample, and items were optimized for face validity and usability, thereby removing the 2 items. The scale items were also rewritten with a first person stem (e.g. I think or I believe), instead of a general value statement. We also created scale items with the same stem as another validated values assessment, the Schwartz Human Values measure⁴, which asks respondents to compare themselves to a person in a value statement, and rate how similar they are to that person.

In the third stage, the refined items were tested across several different samples. The results suggested that the first person stem items performed much better, and provided more differentiation than the comparative stem items. Therefore, the first person stem version of the survey was retained.

3.5. Reliability

A good assessment should be both *Reliable* and *Valid*.

Reliability, or precision, refers to the ability for a set of questions to consistently give the same results. In other words, if an individual takes an assessment, and then takes it again on a later occasion, the individual's results should be relatively consistent, resulting in high reliability.

Test-Retest Reliability

To test reliability, a test-retest reliability study was conducted, which assessed the consistency of measures by having respondents take the survey twice, with a time lag in between. As the Value Modes assessment places an individual into a Value Modes group, the relationship between the Value Modes group an individual was placed at time point one and time point two was examined to determine how consistent the measure is. A test-retest study involving 1160 participants was conducted with a two week gap between first and second test completion. Generally, a time gap of one to four weeks is considered as acceptable for measuring test-retest validity.

VARIABLE	WILK'S LAMBDA (Λ_{SYM})	ASSOCIATION STRENGTH
MASLOW GROUPS	.473	Strong
VALUES MODES	.305	Moderate

Wilks Lambda is a statistical measure of the magnitude of association between two categories. Wilks Lambda therefore assesses the relationship between the Values Mode that a participant is placed in from time one, and the Values Mode they are placed in at time two, based on the responses they give at each time. A strong to moderate association suggests that the assessment is fairly consistent at placing individuals in Values Modes groups from time one and time two. The above figure displays the Wilks Lambda for an individual's Maslow Group designation, and Values Modes placement between the two time points. It is worth noting that the "differences" are predominantly amongst individuals whose responses placed them very close to a segmentation boundary.

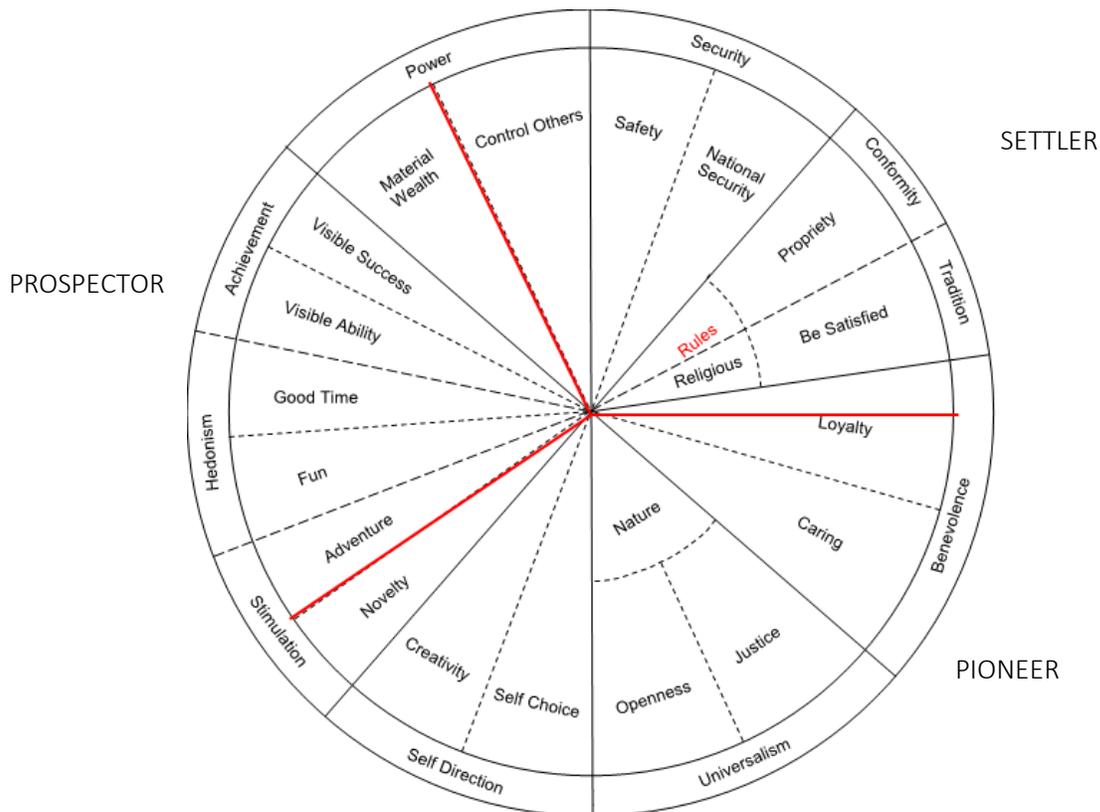
3.6. Validity

Validity, or accuracy, refers to the extent that the scores produced by an assessment are representing the intended construct. In other words, if a person is interested in assessing their health, they might choose a valid measure such as blood cholesterol rather than a less valid measure like height.

To establish test validity, the overlap was examined that Values Modes has with other assessments. Higher overlap indicates that both are targeting similar concepts, and thus suggests that Values Modes is assessing the intended construct. Lower overlap indicates that the measure is assessing something different, and demonstrates that it is only measuring what is intended. Several studies were conducted to assess the overlap of Values Modes and the Schwartz Human Values⁴, and divergent correlation between Values Modes and HEXACO personality measure⁵.

Schwartz Human Values

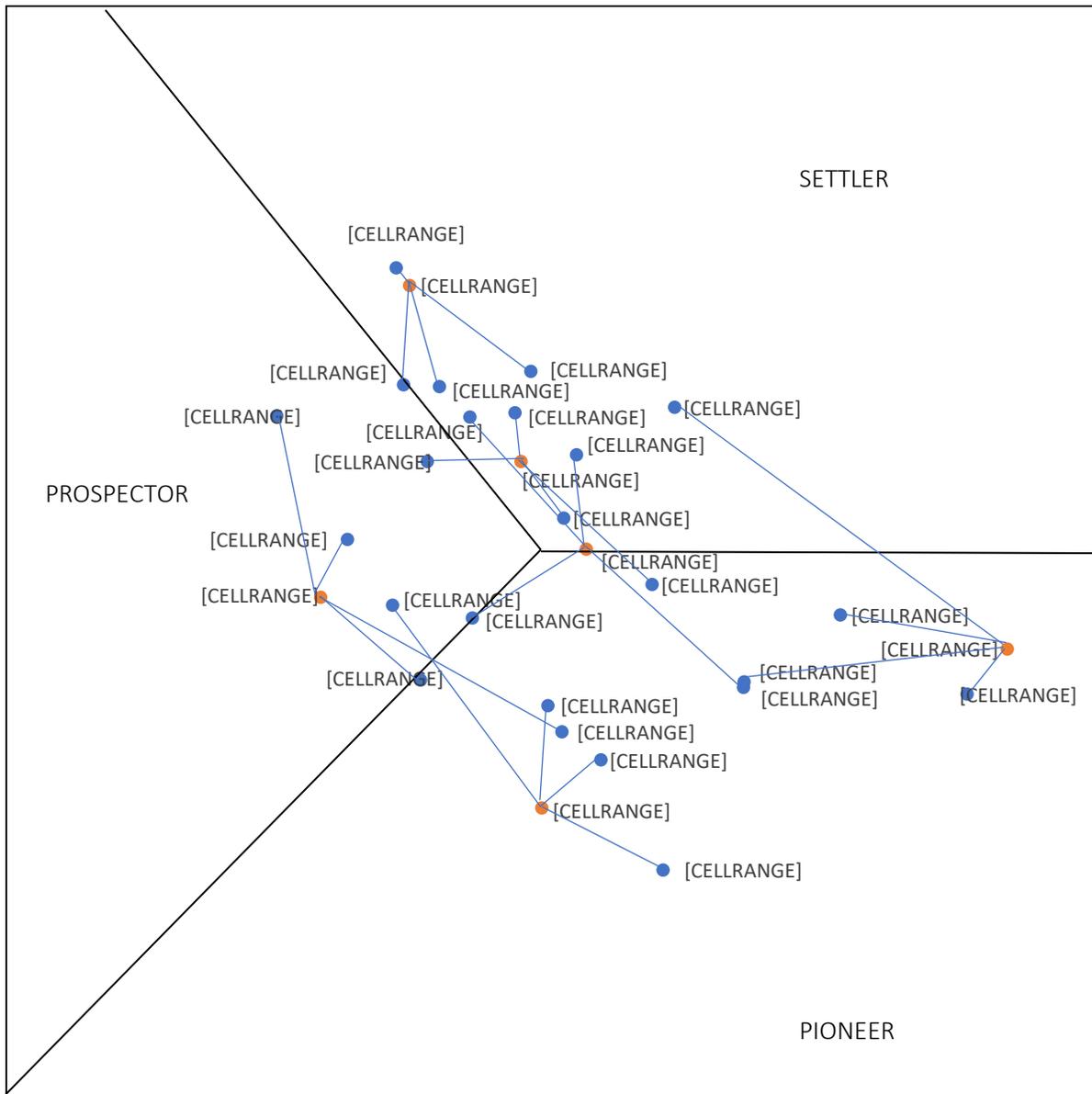
Since 2012, the Schwartz Human Values scale has been incorporated into our annual survey to examine the relationship between Schwartz Human Values and our Values Modes. 58,000 adults in over 26 different countries have been surveyed, accounting for 60% of the world's population. The Schwartz Human Values 'circumplex' model places basic human values and motivations in way that illustrates the similarities and differences between the segments, such that those that are similar appear close together, and those that are different appear opposite each other. The graphic below depicts Schwartz Human Values mapped within the Values Modes space. Interpretable overlap between the Schwartz Human Values and Values Modes suggests that Values Modes is assessing a similar construct - values.



HEXACO Personality Measure

The HEXACO measure assesses 6 factors of personality: Honesty-humility, Emotionality, Extraversion, Agreeableness, Conscientiousness, and Openness to Experience. The factors are shown below within the Values Modes space.

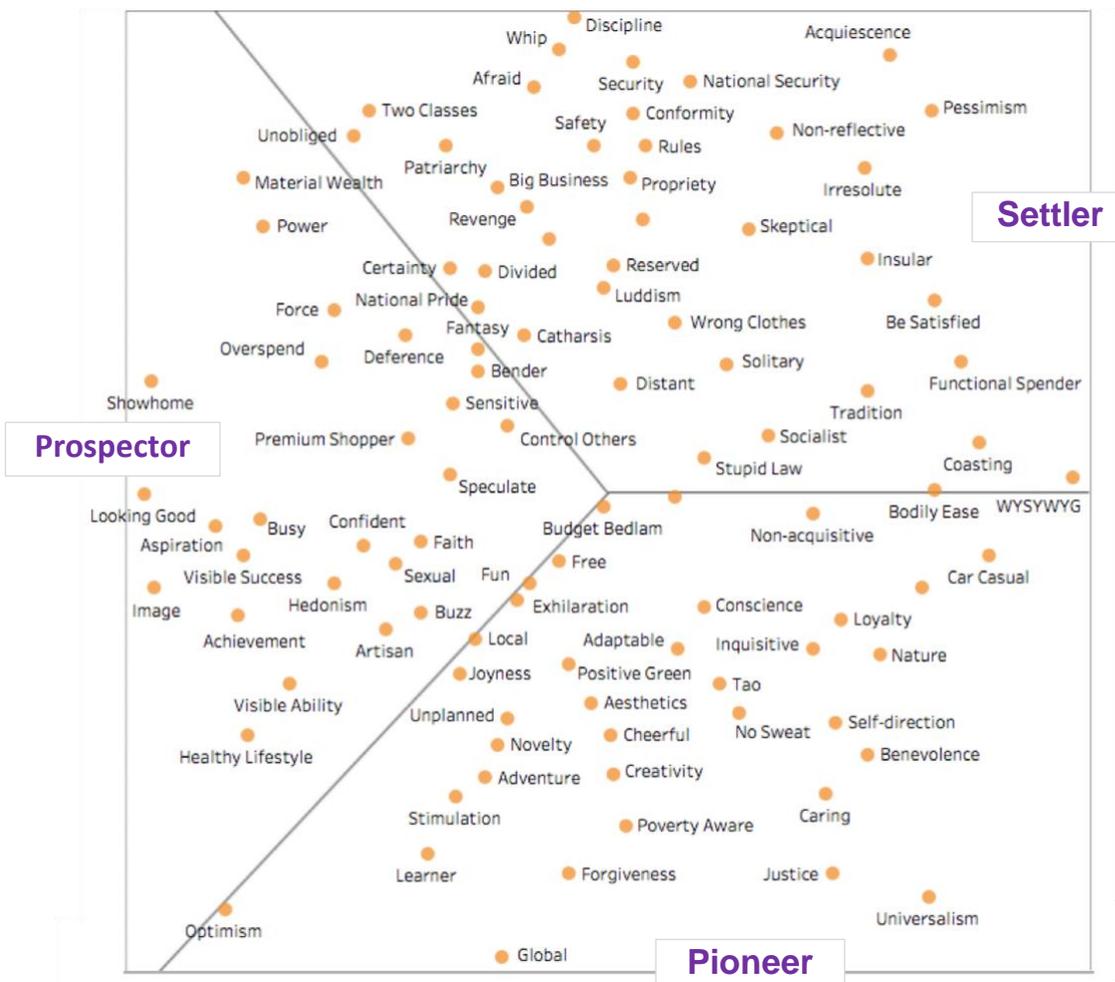
998 individuals completed the Values Modes and HEXACO surveys. The results were mapped into the Maslow space. They show a linear, one-dimensional distribution along the diagonal (top left to bottom right) which suggests that the Values Modes assessment and the HEXACO personality measure are assessing different things; in other words, HEXACO is not assessing values, but rather personality traits.



4. Interpreting Values Modes

To interpret the results of Values Modes, a Values Map is computed. The graphical representation, which can be likened to a night sky with constellations, depicts the statistical relationships between the questions, the value attributes, and the Maslowian groups. Where each star, or attribute, is placed in the space represents the relationship between the attribute and all other attributes. For example, a Settler is likely to highly endorse the value attribute Tradition, while a Prospector and a Pioneer are not. When an individual completes the assessment an algorithm computes where the individual is placed on this map.

4.1. Values Attributes Map



(British Vales Survey 2015)

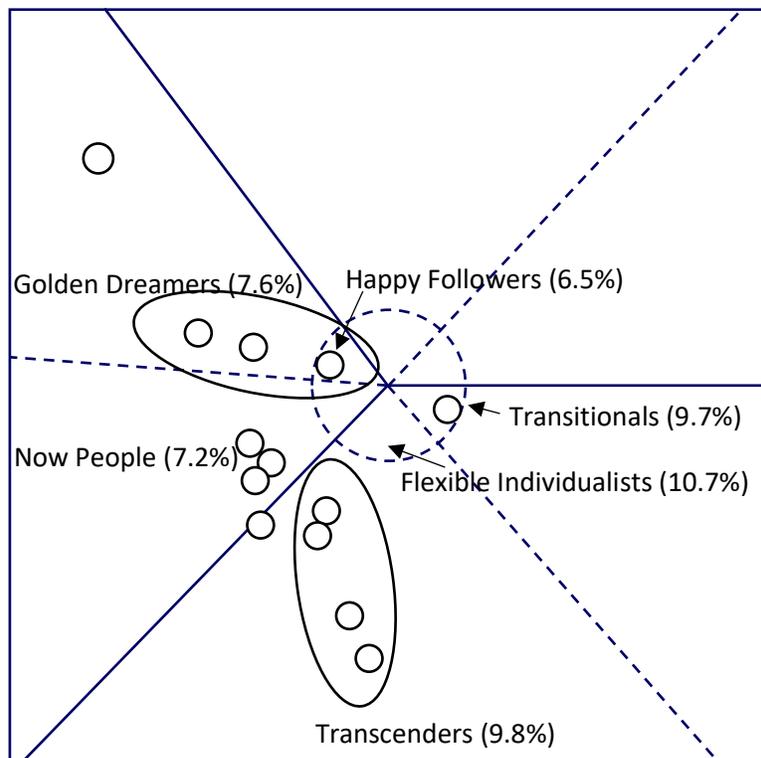
These attributes in each space represent the values that drive each group. Though the exact position of these attributes may shift from one survey to the next, these shifts are very small, if at all.

There is also the possibility of small shifts over time with changes in society, but the relationships between the attributes and the space they are located within remain largely the same.

To determine the Values Modes facet that a person falls within, the strength to which a person endorsed the value statements is plotted. As mentioned previously, the strength to which the person endorsed the values, and the secondary drive is taken into consideration at the facet level. Each group represents 7% - 12% of the population aged 15 years and over.

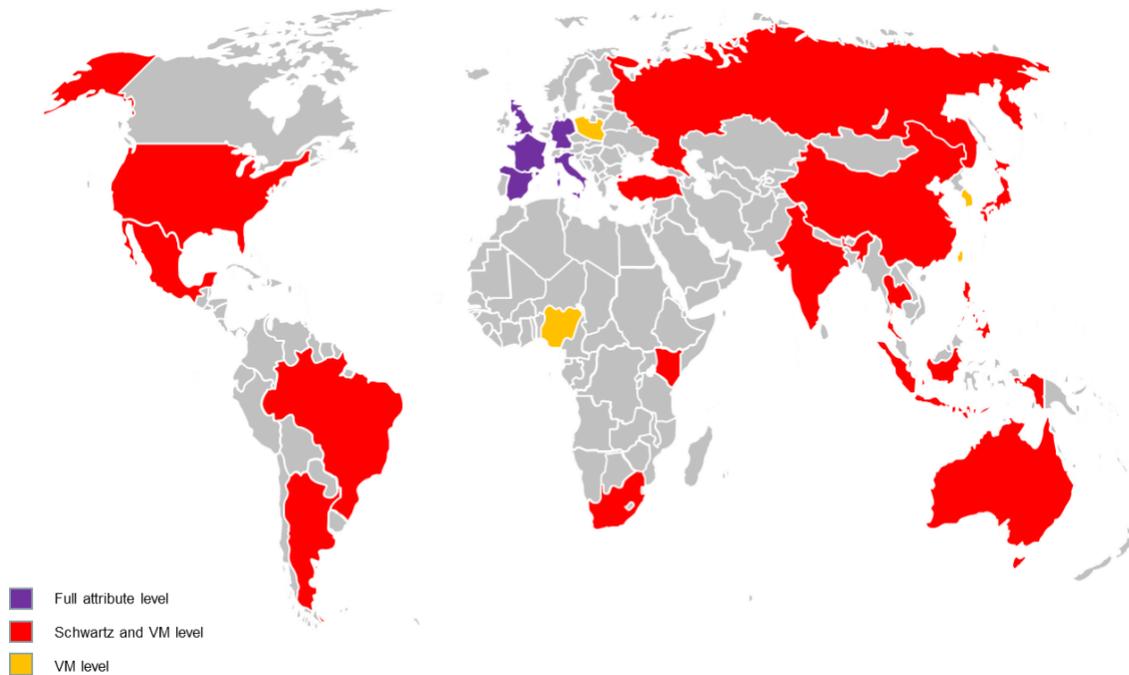
The Values Modes composition of an organization can be used to better understand organizational issues and culture. If a values group is found to be dominant in parts of the organization (i.e. teams, departments, locations, units), management can adjust people practices i.e. communication, reward, recognition, performance management) to better tune in to their employees' needs.

For example, the following Organization Values Map depicts the culture of a clothing manufacturer. The clothing manufacturer was experiencing employee conflict and lowered performance. After conducting the Values Modes survey, we found that their top design team were largely Golden Dreamers or Happy Followers, both of which are Maslow Group - Prospectors. The top marketing team, however, was mostly Transcenders and as such Maslow Group - Pioneers. This created a Values clash between the teams, creating conflict and lowered performance as the two teams had different motivators and drivers for designing and marketing. With this Values data, the teams reconciled their values differences by everyone learning the language of values and then creating empathy by walking in the shoes of people who are driven by different values. This resolved the underlying reasons for conflict.

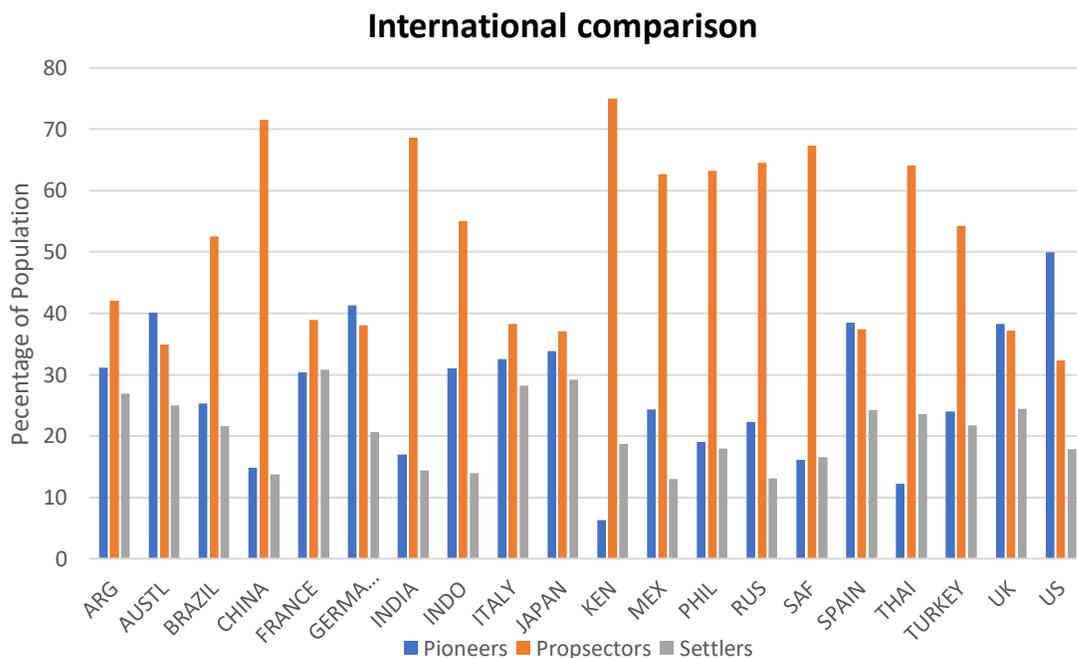


Other applications of the Values Modes model include targeted culture change, matching job roles, and mapping corporate values. Values Modes can be leveraged in many ways to gain more understanding of the people that make up an organization.

4.2. Values Differences across the Globe



The Values Modes structure has been tested and replicated in 26 countries. Values Modes has demonstrated construct validity across these different countries; although interestingly the composition of Pioneers, Prospectors, and Settlers differs. The compositions of 20 selected nations are depicted below.



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