



Chapter 1

**The new cooperative
paradigm, the importance
of values and the
congruence of person-
organization values**

Summary

This first chapter introduces a new cooperative paradigm which allows us to revisit the foundations of the cooperative mode of organization from a new perspective. Four emerging strategies are selected in order to reformulate the development of a business model supported by sustainable competitive advantage: value congruence, psychological ownership, loyalty management, and value co-creation. Customer engagement is also discussed as a key element of the loyalty and value co-creation strategies. To facilitate the formulation and implementation of each of these strategies, it is essential to demonstrate their potential for competitive advantage, their synergies with the foundations of the cooperative mode of organization, and the inherent advantage of the cooperative mode of organization.

The first chapter discusses value congruence. Schwartz's value taxonomy model is used, allowing us to approach cooperative values from a new perspective. The convergence of these and Schwartz's taxonomy of values, particularly their similarity to self-transcendence (benevolence and universalism), is demonstrated. This value profile is in opposition to self-enhancement (power and success in pursuit of self-interest), which is more reflective of the values of investor-owned firms. After having noted the importance of the values of benevolence and universalism (self-transcendence), which Schwartz considers to be the dominant profile on a universal scale, this chapter explores the impact of these values on organizations, demonstrating the strategic importance of cooperative values.

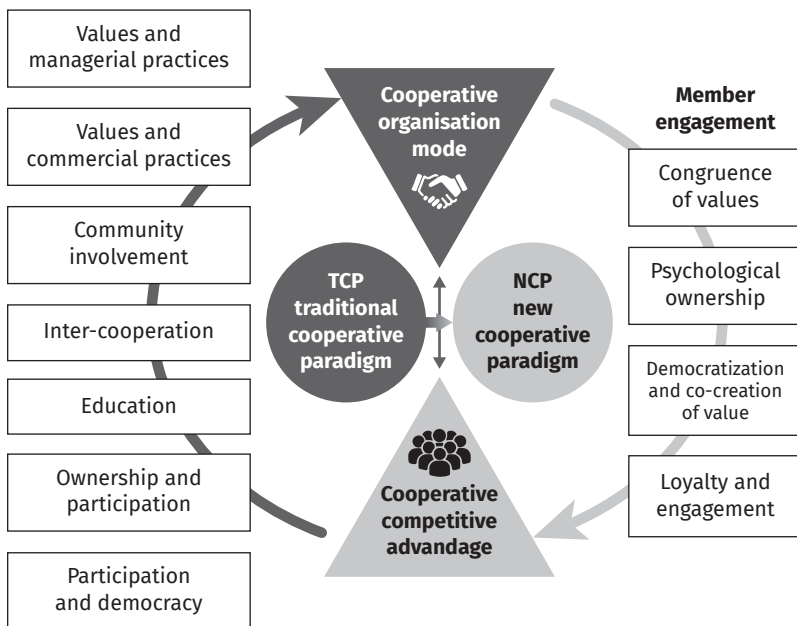
Introduction

Over the past few decades, many changes have been observed in almost every aspect of the business environment. In the new environment that is emerging, consumers are gaining power¹ as markets become more transparent and competitive while consumers have much easier access to information. Traditionally, power has been concentrated on the supply side. Today, consumers can be considered "partial employees" in the decision-making process.

Society has changed, and new things have been moralized. Consumers care about morality and reliably act on it.^{2,3} In this new environment, decisions to buy are based not only on price and quality, but also to protect the environment, human rights, and the principles of social justice. People are searching for a sense of continuity in their lives. Companies are therefore competing to be seen as providing continuity, connection, and direction. The access to technology and globalization has supported the emergence of such consumers.⁴

These changes are generating major transformations in market rules, which in turn require all organizations, including cooperative ones, to question how they generate added value. These new rules have led to a re-examination of the foundations of the cooperative. The result of this reflection is presented in the following pages under the acronym NCP: the new cooperative paradigm (Figure 1.1).

Figure 1.1 – The new cooperative paradigm (NCP)



The emerging strategies identified in this new paradigm are based on value congruence, psychological ownership, loyalty, and value co-creation. Customer engagement will also be investigated across these strategies. For each of these emerging strategies, three key questions must be addressed:

- › The impact of these strategies and the sustainable competitive advantages they bring in the face of intensifying competition and the “walmartization/amazonization of markets”.
- › The enhancement of the cooperative distinction, its association–enterprise duality, its values and principles, and its ideological foundations in relation to these emerging strategies.
- › The inherent competitive advantage of the cooperative mode of organization in the context of the transformation of market rules.

1.1 Values and human resources management

The war for talent has become a strategic issue as companies struggle to attract and retain the best employees.⁵ As a result, companies are looking for more qualified human resources (HR) capital. To survive in this competitive environment, organizations are looking for HR to contribute to the development of sustainable competitive advantages.⁶

In this context, and to better appreciate the strategic importance of the values specific to the cooperative mode of organization, it is important to demonstrate the impact they can have on the behaviors (of the actors) within the organization—and on their performance. Beyond the values specific to each stakeholder, the congruence of values (person–organization) and the impact on contractual and discretionary behaviors must be explored.

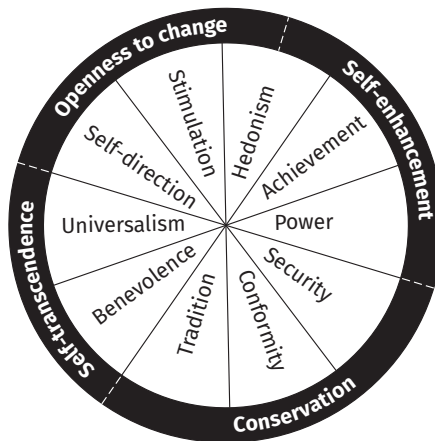
Values are general motivational constructs that express what is important to people. Depending on their values, individuals regard different actions, objects, people, and events as more or less valuable. People’s values are central to their identity and self-concept.⁷

1.2 Schwartz's taxonomy of values in an organizational context

Over the past 20 years, researchers in HR and psychology have increasingly referred to Schwartz's taxonomy of values. This model (see Figure 1.2) posits that values form a continuum of linked motivations that result in a circular structure. According to Schwartz, values arise from a need for individuals to meet three universal requirements—their needs as biological organisms, the conditions for coordinated social interaction, and the requirements for the proper functioning and survival of groups. These three requirements lead to a universal taxonomy of values.⁸ The 10 values identified by Schwartz are detailed in Table 1.1.

This theory emphasizes that values (1) are cognitive representations of desirable and abstract goals (2) that motivate behavior using (3) standards or criteria by which humans evaluate actions, people, policies and events.⁹

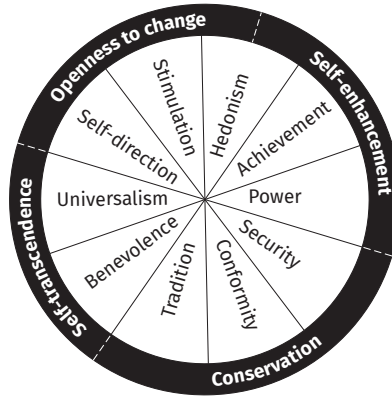
Figure 1.2 – Schwartz's taxonomy of values



In this circular structure (Figure 1.2), adjacent value types are closely related.¹⁰ Motivational differences between value types are continuous rather than discrete, with more overlap in meaning near the boundaries of adjacent values.¹¹ For example, the pursuit of the values of universalism is often compatible with the pursuit of the values of benevolence; improving the well-being of all is likely to also enhance the well-being of those with whom one is in frequent contact.¹² Values that are in opposition within the structure, on the other hand, are in competition and have incompatible consequences.¹³ For example, the pursuit of the values of universalism is likely to conflict with the pursuit of the values of power; actions that promote the good of all people will often stand in the way of actions that are related to the reinforcement of one's own supremacy and authority.¹⁴ Thus, opposite values on this circular structure are negatively correlated. A person showing a high score for the value of universalism will (most likely) project a low score for the value of power.¹⁵ Universalism (emphasizing the well-being of all) and benevolence (emphasizing the well-being of one's group) are "other-centered," while power (emphasizing control over people and resources) is self-centered.¹⁶

The 10 values can be grouped into four dimensions, organized along two main axes. Along the first axis, the opposing dimensions are called "openness to change" and "conservatism." Openness to change includes the values of stimulation and autonomy and refers to the extent to which values motivate people to follow their own intellectual and emotional interests in an unpredictable and uncertain direction. Conservatism (continuity), which includes the values of tradition, conformity, and security, is about preserving the status quo and certainty about relationships with others, institutions, and traditions. Thus, along this axis, values that emphasize one's own independent thinking and action are opposed to those that emphasize submissive self-restraint, protection of stability, and preservation of tradition.¹⁷

Table 1.1 – Definition of Schwartz’s taxonomy of values



Individuals who value this believe in the importance of...	
1. Self-direction	... independence of thought and action (creativity, freedom, independent, curious)
2. Stimulation	... having stimulating experiences (daring, exciting life)
3. Hedonism	... sensual pleasure (fun, enjoying life)
4. Achievement	... socially recognized successes (ambition, competence)
5. Power	... being in charge of people and resources and having money (social power, wealth, authority)
6. Security	... safety and security of self, family, and nation (family security, social order, clean)
7. Conformity	... controlling impulses to fulfill other's expectations (self-discipline, obedience)
8. Tradition	... maintaining traditions (moderation, respect for tradition, devout)
9. Benevolence	... promoting the welfare of people you are close to (helpfulness, loyalty, honesty, forgiving)
10. Universalism	... promoting the welfare of all people and nature (equality, social justice, protecting the environment)

The dimensions of self-transcendence and self-enhancement are positioned along the second axis. Self-enhancement includes the values of power and achievement and captures the extent to which these motivate people to pursue their personal interests (even at the expense of others). Self-transcendence includes the values of universalism and benevolence and refers to the extent to which values motivate people to transcend their selfish concerns and promote the well-being of loved ones and others, as well as of nature.¹⁸ This axis thus includes values that emphasize the acceptance of others as equals and concern for their well-being as opposed to those that prioritize the pursuit of one's own relative success and dominance over others.

This taxonomy of values has been validated in more than 80 countries (and cultures) over the past 25 years.¹⁹ It therefore reflects a universal profile of values (and the motivations that emerge from them). The 10 core values recognized in cultures around the world can be characterized by describing their main motivational goals.

This structure also allows the distinction between intrinsic and extrinsic motivations. Values that focus on conservatism and self-enhancement are largely extrinsically motivated. Values that focus on openness to change and self-transcendence are largely intrinsic in nature.²⁰

1.3 Cooperative values, Schwartz's taxonomy, and the new paradigm

1.3.1 Cooperative values and self-transcendence

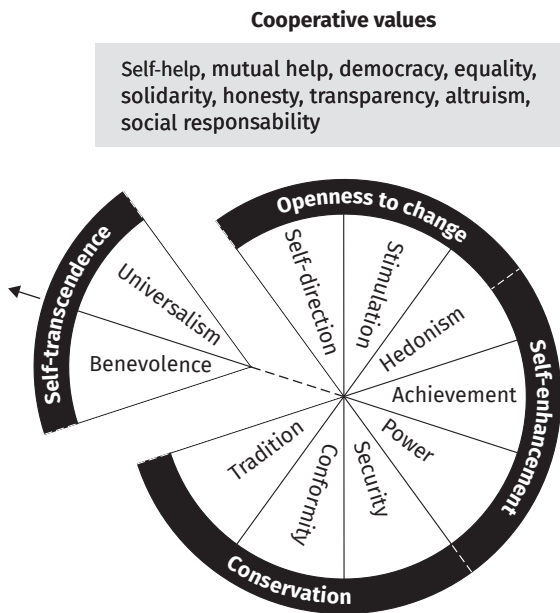
What about the synergies between this strategy and the cooperative organization mode? In particular, how does the taxonomy of values developed by Schwartz converge with cooperative values?

In response to this question, it is important to review the cooperative values as recognized by the International Cooperative Alliance, namely: self-help and mutual aid, democracy, equality, solidarity, honesty, altruism, and social responsibility. Figure 1.3 helps to illustrate the strong synergy between the two values of *benevolence* (preserving and enhancing the well-being of those with whom one is in frequent personal contact—in the group) and *universalism* (understanding,

appreciating, tolerating, and protecting the well-being of all people and nature) and the core values and purpose of the cooperative mode of organization. Each universal value is broken down into secondary values. Benevolence is based on values of mutual aid, loyalty, honesty, and forgiveness. Universalism is broken down into values of equality, social justice, and environmental protection. These two universal values constitute what Schwartz calls self-transcendence.

The cooperative mode of organization thus appears as a typical ideal aligned with self-transcendence as opposed to self-enhancement. It is in this optic that it becomes possible to speak of a new cooperative paradigm, by revisiting the strategic importance of cooperative values from the perspective of Schwartz's taxonomy.

Figure 1.3 – Schwartz's taxonomy of values and cooperative values



Schwartz's values

Benevolence	Promoting the welfare of people you are close to (helpfulness, loyalty, honesty, forgiving)
Universalism	Promoting the welfare of all people and nature (equality, social justice, protecting the environment)

1.3.2 Self-transcendence profile on a global scale

Beyond the convergence of “cooperative values and self-transcendence,” a second finding from the work of Schwartz and his colleagues is that, on a global scale, the most important value profile is self-transcendence. The value of openness to change ranks second, while self-enhancement ranks third in importance. The value profile of conservatism (continuity) finishes the ranking.²¹

At this point, two major observations emerge from the analysis of cooperative values. First is the strong similarity between cooperative values and self-transcendence, which allows us to question not only their strategic importance, but also their relative importance on a global scale since self-transcendence is, by far, described as the dominant profile.

1.4 Values and affective engagement

According to Schwartz,²² values are beliefs linked to affect. When values are activated, they are imbued with feelings. They refer to desirable goals that motivate actions, but they transcend both actions and situations. They serve as standards and guide the selection and evaluation of actions. They are ordered by relative importance, which guides actions and therefore characterizes individuals. Values contribute to actions insofar as they are relevant in each context, thus possibly activated, and important to the individual.

1.4.1 Values, affective engagement, and discretionary behaviors²³

Engagement is based on three components:²⁴ affective, normative, and continuity. Affective engagement with an organization is based on an acceptance of the organization’s values and goals and leads to a greater commitment to the company, leading the employee to want

to stay. Normative engagement is built more on a sense of duty, where the employee perceives pressure to stay with the company. Finally, continuity engagement refers to an employee who remains with the company for economic reasons, aware of the costs of leaving while facing a lack of opportunities. The affective engagement of employees is the one that proves to be an essential asset for the success of organizations.

This type of engagement is defined as a voluntary relationship, created when employees choose to dedicate themselves to and assume responsibility for a target, such as the organization or its specific components.²⁵

Employee engagement includes a persistent, positive, emotional, and motivational state of fulfillment characterized by vigor, dedication, and absorption²⁶ and an individual sense of purpose manifested as personal initiative, adaptability, effort, and persistence directed toward organizational goals.²⁷

Engagement is thus defined as reflecting “a desirable condition, a sense of purpose, implying involvement, determination, passion, enthusiasm, concentrated effort and energy; it therefore has an attitudinal and behavioral component, discretionary behavior, and a desire to go beyond preserving the status quo, and instead focus on initiating or promoting change in the sense of doing something more and/or different.”²⁸

The consequences of engagement are crucial to the performance and success of the company or organization.²⁹ Research has shown that engagement is associated with higher levels of performance at both the individual and organizational levels, having a significant impact on customer service quality, customer loyalty, and financial returns. Thus, employee engagement is a source of competitive advantage.³⁰ The antecedents (triggers) of such engagement must therefore be well understood to facilitate its implementation.

1.4.2 Values in an organizational context

An important problem in organizational psychology is assessing how well a given person fits into an organization, which is called person–organization fit. Person–organization fit occurs when (1) at least one party provides what the other needs, (2) they share fundamental characteristics, or (3) both.³¹ A high level of person–organization fit is positively correlated with many important outcomes, including job satisfaction, organizational engagement,³² employee retention,³³ and identification with the organization.³⁴ When people experience value congruence at work, they feel trust toward their organization and are more motivated³⁵. An extensive volume of research has linked value congruence to favorable outcomes³⁶.

Traditionally, organizational research and practice have viewed value congruence as an important antecedent, if not an essential component, of employee engagement.³⁷ On the other hand, recent empirical studies increasingly suggest that the intensity of value observed in employees as well as in the organization, in addition to person–organization value congruence, is a key antecedent of employee (affective) engagement.³⁸

The impact of values on the commitment to various targets, such as the organization, the team to which the employee belongs, and the supervisor, has also been demonstrated. It is therefore important to consider the values of employees, but also to those of the organization, the supervisors, and the work team (to which the employee is attached).

The level of (affective) engagement will be higher in organizations where values are clearly articulated and promoted.³⁹ Organizations must therefore develop practices, both at the organizational and personal levels, that support strong and discernible values linked to the vision and mission. Opportunities must be provided for the expression of these values, and leaders must be encouraged to express own, particularly regarding respect for people, stability, and team orientation. In terms of the team, it is important to allow employees to learn about each other's values, which will help strengthen their commitment toward the team.⁴⁰

1.5 Activating values and changing priorities

While many factors influence any specific behavior, values often play a key role.⁴¹ Although values are abstract constructs, it seems possible to activate (but not change) them in certain situations. This activation could result in people using information, judgments, and evaluations to make decisions, provided that they are also aware of the link between values and these judgments.⁴²

First, activation can be achieved simply by subtly reminding people that a particular value (e.g., universalism) is associated with a product (e.g., organically produced food).⁴³ Values are less specific than attitudes, so it is difficult to influence attitudes through values. Suggesting a bridge between the two could fill the specificity gap between values and attitudes.⁴⁴

Second, values must be experienced as relevant to the behavior in question. Because basic values are abstract, their relevance is often not obvious. Abstract values are more consistently relevant to people's behavior if they know specific ways to express them in real-life situations. Experiments show that values influence behavior more strongly when people have already thought about tangible or typical applications of those values.⁴⁵

Third, values influence behavior by motivating people to pursue worthwhile goals. Fourth, the importance of values influences behavior through planning. The more important a value is, the more likely people are to form action plans to express it. Finally, values influence behavior by influencing what people expect and perceive and how they interpret situations.⁴⁶

Furthermore, the prioritization of values changes over time. While the hierarchy of values will be largely established in adolescence, its relative stability is based on genetic inheritance but also on lived experiences. However, many factors affect this prioritization, such as race, ethnicity, gender, social class, education, occupation, family characteristics, age, and political and economic system. Typically, people place greater importance on the values they consider attainable.

But because they choose the circumstances of their experiences in relation to the prioritization of their values, it minimizes the changes in values and in the prioritization that people give them.⁴⁷

Socialization intentionally shapes life experiences to induce changes in values. Individual socializers, in families and organizations, seek to transmit their own or their preferred values. The success of their efforts depends as much on the target as on the individual socializer.⁴⁸

Values influence most, if not all, motivated behavior, although people are often unaware of this influence. The magnitude of the influence of values can be considerable for value-expressive behaviors and in the absence of normative pressure in the environment. It is negligible for value-ambivalent behaviors and under strong normative pressures.⁴⁹

1.5.1 From theory to behavior: concrete examples

At this point, the important question is to what extent this value model can be generalized to apply to organizational values and used as an overall framework in research on person–organization fit (congruence).⁵⁰

Beyond recognizing the importance of values, for both the employee and the stakeholders, such as the organization, the team, and the supervisor, several important findings related to values emerge from the HR literature with reference to Schwartz's model. These findings help to provide a better understanding of the impact of values on the organization.

Cooperation vs. competition

In an experimental research framework,⁵¹ the importance of self-transcendence values (benevolence and universalism) in the context of competition versus cooperation was investigated. The importance individuals give to the values of self-enhancement versus self-transcendence substantially predicts the degree of competition relative to the degree of cooperation.⁵² This finding is consistent with the theory that values predict behavior when it is goal-related and cognitively controlled.⁵³