

Individual Identity and Organizational Identification:

Evidence from a Field Experiment

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Employees are bundles of goals, values and beliefs that typically enter an organization in the morning and leave at the end of their workday. They carry values (fundamental beliefs that define what is good/desirable and motivate their actions and goals) that define their identity --their “Sense-of-Self”--, provide meaning and motivate them to work towards a goal (Akerlof and Kranton 2000; Ashforth & Mael, 1989). In turn, organizations are not empty shells and are typically characterized not just by different management practices but also by a corporate culture or “the norms and values that guide behavior within organizations and act as a social control system” (Chatman and O'Reilly, 2016; see also Gibbons and Henderson 2013). As Blader, Gartenberg and Prat (2019) show, the success of a management practice depends on the underlying values articulated by the management.

A long-standing literature in the management field has posited that person-organization fit --the alignment between individual values and organizational values-- correlates with turnover and firm performance (eg. O'Reilly, Chatman and Caldwell 1991).

In this paper, we build on this literature to test, using a randomized field experiment, the connection between values/sense-of-self and organizational identification directly, and in particular the role that individual values play in this identification. As such, we see individual identity as having the potential to be an (intrinsic) motivator inside the firm, that leads to higher engagement, which in turn leads to higher individual performance, which ultimately results in higher organizational performance. In this paper we test the first link in that causal chain, the effect on engagement, which is a strong predictor of individual performance and turnover.

To establish causality, and given the challenges of changing corporate cultures exogenously, or tracking individuals moving exogenously to different cultures/

organizations here, we take a different approach: we exploit the heterogeneity in individual identity and attachment to the organization, to test the effect of making individual values salient (through a randomized value affirmation intervention; McQueen & Klein, 2006; Steele 1988) on individual engagement with the organization.

Several literatures outside economics (social, educational, and health psychology) have theorized and empirically established the role of making core personal values salient to reduce defensive biases, enable individual level improvements in decision-making, generate openness to information that can be self-threatening and reduce biases at individual and group levels (see Cohen & Sherman, 2014). There is also work on the necessity of the affirming values being only personal and not organizational (Kinias & Sim, 2016). However, to our knowledge, the literature to date has not directly assessed the effectiveness of interventions as a function of alignment between individual and organizational values.

We find that making individual values salient has heterogeneous effects among employees as a function of their initial alignment with the organization. Our contribution is to test an important link in the causal chain between identity and organizational engagement that speaks to the

broader importance of values/culture in organizations.

I. Context and Data- Experimental Setting and Data Collection

We collected the data in collaboration with a large services company located in the Middle East. The company has small branches across the country and headquarters in a large city. It has 5 hierarchical levels, an internationally diverse workforce and about half of which is male, although women are significantly under-represented in the top ranks of the organization, with none of the level 1 and about a quarter of the level 2 employees (managers) being female.

We sent an email to each employee of the firm. The email contained a link to an online survey with baseline questions, followed by a randomized intervention (see next section) followed by some further questions immediately after the intervention. About a third of employees responded to the survey and participated in the intervention and consented to have us use their data. One month later we sent a follow up survey to those who participated in the intervention and about one third of those answered.

The initial survey contained an extensive baseline capturing the strength of individual identity and the employee's

identification with the firm as well as other psychological variables that are known to be correlated with those. Rather than asking employees to list or select within a list their own values and the organizational values, we measure the intensity with which they experience their own identity, and the strength of organizational identification:

-*Individual Identity/“Sense-of-self” (II)*: To measure this, we asked employees to state how strongly they agreed (in a scale from 1 to 7) with the following 5 items adapted from the Eudaimonic well-being scale (Waterman et. al. 2010): “I feel like I really know who I am” “I feel centered around a set of core beliefs that give meaning to my life” “I feel like I know my purpose in life” “I feel like I can be who I really am.” “I feel authentic” These, while remaining agnostic about the drivers or values behind a strong “the sense-of-self” are based on underlying beliefs/values. The scale aimed to measure how much value individuals derive from being centered around a core set of beliefs that they feel they can express in their lives, and from which they derive meaning. It is different from hedonic well-being, and measures the extent to which individuals feel a strong sense of identity that gives meaning to their lives. The Individual Identity (II) variable is defined as the mean answer to all questions in the scale (mean: 5.79; std. dev.; 0.96).

-*Organizational Identification (OI)*: To capture OI, we asked how much employees agreed with the statements “My work gives me a sense of personal accomplishment.” “I would prefer to stay with [the firm] even if I was offered a similar job elsewhere.” “I have a strong sense of belonging to [the firm]” “I feel motivated to achieve the purpose of [the firm]” “I add value to [the firm] and it suits my personal development needs.” “I feel empowered to take important decisions in my job.” This captures the extent to which an employee feels identified, belonging to and aligned with the organization. The OI variable is defined as the mean answer to all questions in the scale (mean: 5.57; std.dev.: 1.14).

In order to control for possible confounding factors in the correlation between variables, we also collected information on the following:

-*Life Satisfaction*: We measured life satisfaction using the following 5 items from Diener et al. (1985) scale: “In most ways my life is close to my ideal.” “The conditions of my life are excellent.” “I am satisfied with my life.” “So far I have gotten the important things I want in my life.” “If I could live my life over, I would change almost nothing” This variable captures general life satisfaction, which is highly correlated with the II measure (correlation 0.69), but less focused around the

sense-of-self concept we are striving trying to isolate here.

-Other variables: we also collected information on the level of stress of the individual using four items from Cohen et al. (1988) perceived stress scale since anxiety and stress are correlates of the two core variable of the study (0.21 and 0.28 correlation in the data); as well as on a series of demographic indicators: gender, age, manager status (hierarchical ranks 1 to 4), location (HQ or branch), region of origin, and body mass index.

II-Correlations at Baseline

Table A1 in the online appendix shows the correlations in the baseline survey between OI and the other variables we measured. Column 1 shows its correlation with the demographic variables first: higher manager status is associated with higher OI. Female, age and location (HQ) have no significant correlation to OI. Column 2 introduces II as well as the other psychological variables and shows a very strong positive correlation between II and OI, conditional on all other regressors, including overall life satisfaction and stress. Overall life satisfaction is also positively correlated with OI. Table A1 in the online appendix only aims to show conditional correlations between our core variables at baseline. Next, we introduce a randomized

intervention that makes individual values salient.

III- The Intervention: Making Individual Values Salient

After employees completed the baseline survey they were asked to do a writing exercise that made them reflect on their personal values. This was a “Values Affirmation” (McQueen & Klein, 2006) following the self-affirmation literature (Steele 1988) and in particular the values affirmation exercises for school children in Cohen et al (2006) and for professional degree students with work experience (Kinias and Sim, 2016). We validated and slightly adjusted the initial value list based on a survey with a small sample ($n = 18$).

The treatment group was asked to choose what they perceive to be their 2 or 3 most important values out of 10 proposed values (including gratitude, honor, friends, family, religion / spirituality, environment / sustainability, etc.), and explain why these values were important to them (some answers to the writing prompt such as “These are the values that matter and keep you going in life. Without these there is no life” or “They are important because they are who I am”, do reflect that the values chosen constitute their personal identity). The control group was asked

to select the 2 or 3 least important values and explain why these may be important to others. Following the literature on affirmations, this ensures participants are also writing about values, but since these are not their own values, the self-affirmation is not activated.

The value affirmation makes individuals in the treatment group reflect on the values that give meaning to their life and makes these salient. Value affirmations have been shown to ground people in their own personal values (and eudaimonic identity) and as a result to protect them from external negative pressures and stereotypes. This leads to a stronger sense-of-self and has been shown to lead to improved performance in a variety of contexts with strong negative stereotypes (grades for underperforming African American children in Cohen et al 2006 or for female business school students in Kinias and Sim, 2016, etc.). And while there is work specifying necessary conditions for the efficacy of self-affirmations (e.g., values reflections including the business school values do not buffer the resiliency of MBA women as core personal values reflections do: Kinias & Sim, 2016), there is remaining ambiguity about what the exact pre-conditions are required to make them successful.

This is a useful manipulation in our context because we can exploit the heterogeneity in

initial alignment with the organization and initial eudemonic well-being/sense-of self to assess how re-affirming individual values changes attachment to the organization.

IV- Results

Column 1 in Table 1 shows the effect of the value affirmation on the Gallup engagement questions. We used two of the Gallup engagement questions that are highly predictive of turnover. Given imperfect covariate balancing at baseline and the fact that we know all the psychological variables are highly correlated we control for the psychological variables (column 1) and for all baseline covariates (column 2). We find that making individual values more salient on average reduces the individual's attachment to the organization (Gallup), the sense that the organization cares about them, but this effect is not statistically significant.

But the average effect hides substantial heterogeneity. When we interact the baseline OI and II with treatment status, we find that for those with initial high OI, making their own values salient increases engagement, while for those with low OI, it reduces it, hence the average negative (though insignificant) effect. For baseline II, if anything those with high initial II respond more, but this is not statistically significant.

So this shows heterogeneous responses to the value affirmation treatment as a function of initial heterogeneity in identification. To explore this further we go back to the individual identity and organizational identification variables. To the extent that both are reflecting values (how strongly do I live out my values in the first one and how well are the values reflected in my organization in the second) they are reflecting some latent values that may or may not make the individual aligned with the organization, and the strength with which individuals adhere to those in their lives. If we think about these values as latent variables, it is natural to try to extract those using factor analysis.

Factor analysis of the baseline questions for II and OI give us two relevant latent factors. The first loads positively and highly on all the latent factors that explain how individuals answer those questions, with high loadings on all of them and explaining 73% of the variance. We call this the “aligned” value, since if we interpret this as an underlying value that is reflected in the answers to those items it is a value that makes individuals answer positively to the questions on II and also on OI. This could be a value like having a sense of community in an organization that fosters that. The second factor loads positively on all the II questions but negatively on the OI questions. We call this

a “misaligned” value; for example protecting the environment/issues of sustainability if that is something that gives meaning to individuals but the organization does not support. Note that besides alignment and misalignment, these factors reflect intensity. For example, a high value in the aligned factor reflects that the individual has an aligned value and experiences it strongly, a low value would reflect that the individual has such value but does not experience it strongly. Notice also the same individual could have a strong adherence to the two values (similar to using latent factors to estimate intelligence one can have logical and spatial ability as distinct factors weighing on the different questions), so this strategy ultimately exploits more variation than the one using the II and OI variables. Finally, we interpret these factors as reflecting underlying/latent values that manifest themselves in II and OI, but they could also capture any other underlying factor that correlates with the questions asked.

For each individual, we obtain how highly they score on the aligned and misaligned values at baseline and interact those with the treatment. This can be seen in columns 5 and 6. We find that making values salient leads those with a high aligned value to become more engaged, whereas those with a high misaligned value become more disengaged.

All the results so far were from responses right after the intervention. Around one third of the individuals that responded to the baseline also responded to our follow up survey about one month later. This sample has the risk of being highly selected, however our tests showed that answering the second survey is uncorrelated to treatment status and also to our covariates. We find (column 7) that in this smaller sample the effect of treatment on Gallup engagement as a function of the misaligned value persists one month after the initial value affirmation: the more intensely misaligned the person is the bigger the reduction in engagement after individual values were made salient.

V- Conclusions

We find that a simple value affirmation intervention --which makes individual values salient to employees-- leads to a very different response of individuals depending on their standing with respect to the firm. The significant effects we obtain with this small affirmation intervention suggest that it is possible to change the attitude of workers by manipulating how the firm presents itself and the values it espouses. But that individuals are sufficiently heterogeneous that the effect of one particular intervention can have different consequences—in our case depending on the

initial alignment of individual and organizational values.

Our results highlight the complexity of utilizing values based self-affirmations and their contingent value in organizational contexts. We argue that given this heterogeneity of effects more nuanced thinking about the role of values in organizations might be indicated.

To the extent that identity is rooted in meaning for individuals, addressing it directly as we began to do here can yield also interesting insights on how to design organizations where individuals can thrive as human beings. We think this is a fruitful research avenue.

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TABLE 1: AVERAGE AND HETEROGENEOUS EFFECTS OF THE VALUE AFFIRMATION

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Gallup	Gallup	Gallup	Gallup	Gallup	Gallup	Gallup +1 month
Treated	-0.178 (0.113)				-0.196* (0.105)		
Org Ident		0.397*** (0.0932)		0.325*** (0.0984)			
Treated*Org Ident		0.409*** (0.111)		0.502*** (0.118)			
Indiv Ident --							
Eudaimonic		0.313** (0.126)	0.0340 (0.132)				
Treated*Indiv Ident		0.0741 (0.155)	0.0980 (0.164)				
Aligned				0.646*** (0.0989)	0.390*** (0.128)	0.474* (0.280)	
Treated*Aligned				0.252** (0.118)	0.551*** (0.162)	0.178 (0.356)	
Misaligned				-0.145 (0.0982)	-0.190 (0.116)	0.0290 (0.296)	
Treated							
*Misaligned				-0.341*** (0.120)	-0.251* (0.140)	-0.684* (0.361)	
Controls	YES	YES	YES	YES	YES	YES	YES
Treated*Controls	YES	YES	YES	YES	YES	YES	YES
Observations	382	338	337	337	363	325	116
R-squared	0.020	0.484	0.214	0.499	0.463	0.514	0.376

Notes: Controls include all baseline variables: gender, manager status, HQ dummy, BMI, region dummies as well as life satisfaction and stress. These are all interacted with Treatment status in Treated*Controls columns; Standard errors in parentheses

ONLINE APPENDIX – Not for publication

TABLE A1: BASELINE CORRELATIONS WITH ORGANIZATIONAL IDENTIFICATION

	(1)	(2)
	Org Ident	Org Ident
Female	-0.194 (0.127)	-0.299** (0.117)
Manager	0.437*** (0.160)	0.335** (0.146)
Age	0.0301 (0.0801)	0.00250 (0.0726)
Age Squared	-0.000315 (0.00108)	-0.000132 (0.000982)
HQ	-0.0172 (0.156)	-0.0254 (0.142)
Indiv Ident --Eudaimonic		0.231*** (0.0776)
Life Satisfaction		0.280*** (0.0700)
No Stress		0.106 (0.0894)
Region of origin dummies	yes	yes
Observations	351	347
R-squared	0.087	0.273

Standard errors in parentheses