

1-1-2014

The Value of Managing by Values: A Canadian Sport Organization Case Study

Shannon Kerwin

Joanne MacLean

Dina Bell-Laroche

Follow this and additional works at: <https://trace.tennessee.edu/jasm>

Recommended Citation

Kerwin, Shannon; MacLean, Joanne; and Bell-Laroche, Dina (2014) "The Value of Managing by Values: A Canadian Sport Organization Case Study," *Journal of Applied Sport Management*. Vol. 6 : Iss. 4.

<https://doi.org/10.7290/jasm0678eb>

Available at: <https://trace.tennessee.edu/jasm/vol6/iss4/7>

This article is brought to you freely and openly by Volunteer, Open-access, Library-hosted Journals (VOL Journals), published in partnership with The University of Tennessee (UT) University Libraries. This article has been accepted for inclusion in *Journal of Applied Sport Management* by an authorized editor. For more information, please visit <https://trace.tennessee.edu/jasm>.

The Value of Managing by Values

A Canadian Sport Organization Case Study

Shannon Kerwin
Joanne MacLean
Dina Bell-Laroche

Abstract

The purpose of this study was an in-depth examination of the use of organizational values in the management practices of a nonprofit sport organization. Using a case study approach, interview ($n = 13$) and video ($n = 5$) data were examined to determine (1) the nature of employee involvement as it relates to the development of organizational values, (2) the process of enacting and communicating organizational values, and (3) the perceived link between the deliberate implementation of management by values and organizational performance within one national sport organization. Findings demonstrated the need for all employees and internal stakeholders to be involved in the value generation process. Furthermore, in order for organizational values to be understood and 'lived' by personnel, values must be engrained into everyday human resource management sport policy and practice. Contribution to theory, as well as implications for sport practitioners and scholars are presented.

Keywords: *management by values, organizational performance*

Shannon Kerwin is an assistant professor in the Department of Sport Management at Brock University.

Joanne MacLean is the dean of health sciences at the University of Fraser Valley.

Dina Bell-Laroche is a consultant with the Sport Law & Strategy Group.

Please send correspondence regarding this article to Shannon Kerwin, skerwin@brocku.ca

Introduction

Members of organizations develop value systems defined as shared principles that guide behaviors of the group (Argandoña, 2003). Simply, values are likened to the glue that connects an organization's mission to its vision by creating shared understanding and coordinated action. Core organizational values represent foundational principles established to guide employee decision making toward achieving both short- and long-term goals. However, while values have been shown to positively influence performance in organizations, Cha and Edmondson (2006) identified a trend toward empty value statements and perceived leader hypocrisy in organizations that espouse one thing but do another. Lencioni (2002) suggested that "empty value statements create cynical and dispirited employees, alienate customers, and undermine managerial credibility" (p. 113) while wasting an opportunity that "can set a company apart from the competition by clarifying its identity and serving as a rallying point for employees" (p. 114).

Management by values (MBV) has been researched by Dolan and Garcia (2002) as a means for improving indices of organizational performance and is one approach to optimizing the use of values in the strategic management of the organization. They proposed MBV as a management system that explicitly integrates values into the policies, procedures, and programs of the organization. Moreover, values are operationalized by managers who possess and extend to others the autonomy and professional responsibility to drive the operating systems (Dolan & Garcia, 2002; Dolan, Garcia, & Richley, 2006). While MBV is not a new management concept, much has been written from a strictly theoretical perspective. Furthermore, the literature investigating the role of values for firm performance has largely focused on the for-profit organization sector (Williams, 2011). This is surprising, as the important role of values and MBV within nonprofit organizations has been noted in previous research (see Dolan et al., 2006).

While values have been linked to improved firm performance, performance may be interpreted differently in organization sectors. Typically, organizational performance is measured based on financial results and productivity (Becker & Gerhart, 1996; Child, 1972; Dess & Robinson, 1984); however, nonprofit organizations may attach preeminent importance to, for example, service delivery and stakeholder management, among other specific indices related to their mission and values (Hinings, Thibault, Slack, & Kikulis, 1996; Kikulis, Slack, & Hinings, 1992). As well, concerns for local community, social responsibility, and environmental sustainability once considered peripheral are increasingly prevalent in organizations' mandates and management practices (Adler, Forbes, & Willmott, 2007; Jaakson, Reino, & Vadi, 2009; Kanter, 2008). This shift in focus has resulted in renewed emphasis on values in organizations (Marginson, 2009; Zhang, Dolan, & Zhou, 2009). This may be particularly relevant in national sport organizations (NSOs) in Canada where a shift in sport policy has resulted in an increased em-

phasis on values-based and inclusive sport programs (Canadian Sport Policy, 2012). Specifically, the policy states,

Values are the foundation of participation in sport by all Canadians. Stakeholders are encouraged to use the following sport values [cf., fun, safety, excellence, commitment, personal development, inclusion and accessibility, and respect, fair play and ethical behaviour], as identified by Canadians, to inform the design and implementation of policies and programs, recognizing that their interpretation and emphasis are context-specific. (Canadian Sport Policy, 2012, p. 5)

Further, the structure and function of nonprofit sport organizations is influenced by the set of organizational values adopted by an NSO (cf. Hinings et al., 1996).

In the current paper, we attempt to advance knowledge regarding values management in the nonprofit sport sector. Nonprofit organizations represent a large organizational sector in many countries, with nearly 161,000 in Canada alone (Imagine Canada, 2006). Interestingly, 34,000 (21.1%) of these Canadian nonprofit organizations are sport organizations, representing a significant component of the sport industry in Canada. Canadian NSOs represent one subset of sport nonprofits, which employ professional staff to deliver services and programs in both development and high performance sport initiatives (Slack & Parent, 2006). This includes 56 federally funded NSOs responsible for planning, regulating, delivering, and organizing their sport in Canada (Sport Canada, 2011). NSOs are members of their respective sport's international organization and have leadership responsibility for implementing the broader goals of the Canadian Sport Policy (Canadian Sport Policy, 2012).

The importance of understanding values in the management of nonprofit sport organizations has been noted (Canadian Sport Policy, 2012). However, only a few studies have identified the importance of values to the management and performance of organizations in this sector (cf. Amis, Slack, & Hinings, 2002; Danisman, Hinings, & Slack, 2006; Hinings et al., 1996; Kikulis et al., 1992). Interestingly, Canadian NSOs are particularly worthy of study given their adaptation to recent change. They have been pressured to adapt over the last decade to a rapidly changing and turbulent environment, and have needed to proactively develop strategies to better manage in increasingly complex times (Bell-Laroche, MacLean, Thibault, & Wolfe, in press). More specifically, sport organizations have faced a growing number of pressures for enhanced international performances from the public and their stakeholders. As well, sport organizations have been expected to increase participation rates in their sport along with finding additional sources of revenues to achieve their goals of providing more programs and services for their members (Yeh & Taylor, 2008). The federal government's unit and major funding partner for NSOs, Sport Canada, took the lead in the development of the Canadian Sport Policy (CSP), the first policy to provide a blueprint for

sport in the country with the buy-in and support of all provincial and territorial governments. A specific focus of the CSP is enhancing the organizational capacity of sport organizations, including NSOs, and creating strategies to strengthen managerial practices and structures toward improved organizational performance (Canadian Sport Policy, 2012).

As a complicating factor, it is believed that NSOs continue to employ the traditional management by objectives model to achieve their goals (Havaris & Danylchuk, 2007). Although this management approach has proven to help organizations be successful by focusing on the achievement of important goals, some scholars have suggested that it is now insufficient to merely manage according to objectives (Dolan & Garcia, 2002). Further, empirical evidence within the NSO context (Bell-Laroche et al., in press) has focused on the utility of MBV and pointed to one exemplar NSO that is fully engaged in values management (specific information regarding this NSO is presented in the method section of this paper). However, investigation into the mechanisms (processes) that contribute to the adoption of management by values remains relatively scant in sport management literature and theory. Specifically, exploring the processes associated with a management by values perspective may help inform sport management theory regarding organizational effectiveness (Bell-Laroche et al., in press). The purpose of the study was an in-depth examination of the use of organizational values in the management practices of a nonprofit sport organization. To serve the purpose, three research questions were presented:

1. What is the nature of employee involvement as it relates to the development of organizational values?
2. How are organizational values enacted and communicated?
3. What is the perceived link between the deliberate implementation of MBV and organizational performance?

As explained by Yin (2003), case study methods are selected when attempting to focus on what can be learned from a given organization. In this particular case, the NSO case is perceived to have effectively adopted MBV practices that could potentially contribute to our practical and theoretical understanding of the MBV phenomena in sport. MBV has been suggested as an alternative model of management in which the personal values held by individuals are acknowledged, an active dialogue to determine the values required for the organization to achieve its vision is encouraged, and the creation of a culture that is supportive and reflective of these shared values at all levels of the organization is facilitated. While Mulholland (2008) suggested that being deliberate about the use of values holds promise for sport organizations, systematic study of sport nonprofits, including NSOs, is required to understand the potential for MBV and sport organization performance.

Review of Literature

Williams (2011) pointed out that organization values have been the focus of considerable research over the past several decades given that values “determine, regulate, and modify relations between individuals, organizations, and institutions” (p. 316). Argandoña (2003) distinguished between personal values and those that are held at different levels within a group, all of which shape the extent to which the values are declared and/or practiced. In the context of organizations, a value system exists when (a) individuals collectively share certain values related to acceptable behavior within the organization and its strategic directions (Weiner, 1988), and (b) individual employees share the stated values of the organization’s leaders (Deal & Kennedy, 1982). As Agle and Caldwell (1999) pointed out, shared values determine and regulate relationships between individuals, the organization, and other stakeholders. This knowledge of shared values can help individuals make more efficient decisions and adapt to complex and ever-changing environments (Weick, 1993).

Management by Values

Dolan and Garcia (2002) proposed an approach to management that employs shared value systems in management operations, called Management by Values (MBV). MBV calls upon leaders within organizations to consider the extent to which their organizational values are being leveraged, how explicitly they are being communicated, and the role of leadership in activating values for the common good (Dolan et al., 2006). Dolan and his colleagues suggested practicing MBV acknowledges the complexity inherent in the environment by helping to focus and harness the often untapped potential of individuals toward an organization’s vision (Dolan et al., 2006). They further postulated that MBV can facilitate the redesigning of the organization’s culture along more humanistic lines and enable leaders to emerge (Dolan et al., 2006).

Paarlberg and Perry (2007) examined whether or not values could be managed, uncovering three important results: (1) organizational values can be motivating to employees so long as they are congruent with certain existing values; (2) managers play a significant role in interpreting, communicating, and rewarding performance toward the stated values; and (3) the very process of managing by values is a social process, which requires managers to remain flexible (Paarlberg & Perry, 2007). The findings have also revealed the important role that formal management systems can have in fostering the creation of shared values within organizations, supporting the concept of managing by values.

Dolan et al. (2006) proposed that MBV is a process to more effectively leverage organizational resources by enabling personnel to enact management practices with the knowledge that shared principles guide decision making. This process allows for creative responses to the challenges, issues, and risks associated with an increasingly complex environment (Dolan et al., 2006). Effective MBV might be

accomplished through the creation of an organizational culture in which members know the core values and make decisions according to those shared values. However, research is required to better understand the efficacy of theory to practice. Given that MBV is predominantly a theoretical concept, empirical research is required to understand if and how values are embedded within the culture of an organization and if they can effectively shape practice in different contexts (Granger, 2006).

Values and Organizational Performance

Organizational values that are shared by employees have been connected to increased firm performance. Donker, Poff, and Zahir (2008) investigated Canadian companies on the Toronto Stock Exchange and found corporate values positively correlated with performance, emphasizing the importance of business ethics and the practical application of day-to-day management in commercial organizations. In nonprofit social service agencies, Macy (2006) directly linked values in management practices with employee satisfaction and trust. Gregory, Harris, Armenakis, and Shook (2009) examined values management in the context of hospitals and found consistent results to previous studies indicating a positive relationship between organizational culture as created by individual values and attitudes, and performance in the service industry. Descriptions of “enduring corporations” indicate that shared values amongst employees and organizations can lead to better performance (Collins & Porras, 1994; Deal & Kennedy, 1982; Granger, 2006; Hambrick & Brandon, 1988).

Values and Canadian NSOs

As previously mentioned, there are only a few studies investigating values and NSOs, and relatively few related to MBV in the Canadian context (see Bell-Laroche et al., in press). Several years ago, Kikulis et al. (1992) and Hinings et al. (1996) noted the importance of the values and beliefs of NSOs decision making, criteria of effectiveness, and organizational structure. Amis et al. (2002) demonstrated the role of values in the evolution of Canadian Olympic NSOs. More recently, Danisman et al. (2006) investigated institutionally prescribed values among employees in Canadian NSOs, finding that values were mainly adopted at the organizational levels, but manifested distinctively amongst subgroups of employees.

As a result of this literature review, it is our contention that while the construct of NSO values has received some empirical consideration, a knowledge gap exists regarding employee engagement in understanding, developing, and effectively using core organizational values in management practice. Given the link between managing by values and organizational performance (Collins & Porras, 1994; Deal & Kennedy, 1982; Hambrick & Brandon, 1988) as well as the emphasis on values and social impact within NSOs (Canadian Sport Policy, 2012); understanding the mechanisms (processes) that contribute to adopting a management by values ap-

proach requires theoretical and practical attention. Methods and rationale for the chosen case study research are presented next.

Research Method

In this study, a single case study analysis of a purposely chosen Canadian NSO was undertaken. The NSO was chosen on the basis of previous research (detailed in the next section) in which the case was judged to be an exemplar in intentionally using their organization's values as a management tool. A qualitative research approach was selected where semi-structured interviews and observations were used to facilitate an in-depth investigation into a setting selected for its perceived richness in the topic under investigation.

Research Context

The site for this research was a Canadian NSO. It was chosen on the basis of preliminary investigations conducted involving two separate studies.

Study one. In the first study, employees of 24 Canadian NSOs were surveyed to investigate the extent to which MBV was employed, verify a scale of MBV measurement in this context, and investigate the influence of values management on organization performance and employee conflict. The results of this research indicated when MBV was intrinsic to management practice, performance ratings of the NSO increased. Thus, the merit of investigating an exemplar organization in this context to better understand the tenets of MBV and the perceived connection to performance was deemed appropriate. Results pointed to the chosen NSO selected for this study as a strong example of an organization engaging in the use of values to push their organizational agenda. It was our contention that a comprehensive study of this organization could prove more fruitful than a broad study of many other NSOs (Yin, 2003). Thus, study two represents the data presented here.

Study two. In the present study, using a cross-case analysis design, the chosen NSO was identified as engaging in management by values. The study involved interviews of senior leaders at nine separate Canadian NSOs. While investigating the deliberate use of values in management, the chosen NSO was identified as an exemplar case because values were identified, known, and acknowledged as being used in day-to-day management practices. For instance, the CEO of the organization supported the fundamental role of values in the management of the organization by stating:

Our values are embedded at all levels of our planning now. It gives the staff a sense of what they're doing and how it contributes to the achievement of the entire organization.

Data Collection

The study design incorporated two main approaches to evidence gathering: (a) semi-structured interviews and (b) review of secondary data, involving recordings of skits performed by members of the organization when they collectively devel-

oped the NSO core values. In total, 13 semi-structured interviews were conducted with NSO staff members, stratified by level of position within the organization.

In total, the organization had 49 employees. The Chief Operating Officer provided an employee list categorizing all personnel by position into five organization levels (see Table 1 for employee and participant sampling information). Seventeen (or approximately one third of all employees) were randomly selected for interview, stratified across levels of the NSO to ensure that voices from all levels of positions were included in the study. Invitations to participate were made via email, with 13 employees consenting to be interviewed (see Table 2 for participant information). Of the four employees who were invited but did not participate in an interview, one did not respond to our requests, two declined to participate indicating “lack of interest” and “not my thing” (both employees were coincidentally engaged in duties involving information technology), and one employee was unavailable due to temporary work location associated with a world championship on another continent. Participants had been employed an average of six years with the organization, with experience ranging from 1–25 years.

Table 1

NSO Employee Data and Sampling Information

Organization Level	Employee Categorization	Example Positions	# of Employees at this Level	# of Employees Invited to Interview	# of Interviews Completed
1	Executive Administrator	Chief Executive Officer, Chief Operating Officer	2	2	2
2	Director	Director of Business Development, Director of High Performance, Director of Events	8	4	3
3	Manager	Manager of Coaching Programs, Manager of Marketing and Sponsorship, Bid Development Manager	7	2	2
4	Coordinator or Specialist	Elite Athlete Coordinator, Finance Specialist, Public Relations Coordinator	26	7	4
5	Administrator or Assistant	Member Services Assistant, Marketing & Communications Administrator, Corporate Administrator	6	2	2

Table 2*Participant Description*

Participant	Gender	Age Range	Organization Level*	Years of Experience within NSO
A	M	40s	4	4
B	M	50s	2	25
C	F	40s	5	3
D	F	50s	3	1
E	F	40s	3	2
F	M	50s	1	6
G	F	60s	2	4
H	M	20s	4	1
I	F	40s	5	2
J	F	50s	1	19
K	M	50s	2	4
L	F	30s	4	6
M	F	40s	4	5

*Note. See Table 1

In the process of creating the core values for the organization, employees had been divided into groups and assigned with the task of creating a skit or performance that illustrated exactly how the NSO value will be enacted by employees of the NSO. The skits were video recorded by the CEO and the recorded files were made available to the researchers. The five core values, representing the focus of each individual skit, were Excellence, Accountability, Collaboration, Adaptability, and Innovation. These recordings were reviewed in order to fully understand the values development and enactment process.

Procedure

Interviews explored employees' perceptions, ideas, personal experiences, and expectations regarding MBV and the MBV on performance. Participants were provided with the definition of the term "value" and a copy of the interview guide outlining questions to be asked in advance of the scheduled meeting. All interviews were audio recorded, transcribed verbatim, and member checked by participants for accuracy and clarification of meaning. Employees were encouraged to openly discuss their views about and experience with MBV at the NSO and were probed for specific meanings and examples whenever possible (Yin, 2003). Interview questions covered relevant areas, such as the employee's definition of the organizational values, the NSO values and their development, the deliberate use of values in managing the activities of the NSO (including examples of day-to-day use of values that impact performance), and their perception of the impact of values on organizational performance. The duration of each interview ranged between 30 and 75 minutes, and saturation of responses as characterized by common response patterns was achieved after interviewing 13 informants (Berg & Lune, 2011).

Subsequent to the collection of interview data, five recordings of skits performed by NSO employees were reviewed. The employees were charged with illustrating one of the core values to the larger group and “agreeing on three statements to illustrate how we [employees] can live that particular core value.” Each skit was between 5-9 minutes long and provided clarity of understanding the meaning and enactment of the value for employees of the NSO.

Data Coding and Analysis

The first stage of analysis included review and coding of the interview transcripts, as well as the video recordings. The qualitative data analysis software NVivo 8.0 was used to code the data, employing two coders. One coder set up the initial coding scheme based on axial coding (Patton, 2002) where the interview guide question categories were used as a priori coding categories (i.e., Defining NSO Values, Establishing NSO Values, Management by Values, Influence of Values on Conflict, Importance of Values in performance) for audio transcripts and video recording. The second coder reviewed and verified the initial scheme at this stage. Next, data was coded line by line by the first coder and categorized into the a priori categories, whereupon open codes (Patton, 2002) were identified under each a priori category (i.e., Under “Establishing NSO Values,” the open code “Group Involvement” emerged). The final coding structures were double checked independently by each coder and any inconsistencies were discussed, altered, or eliminated. Analysis of the interview transcripts and tape recordings enabled recognition, expression, and sense making of the informants’ responses and actions as recorded and acted out.

Findings

The purpose of the study was an in-depth examination of the use of organizational values in the management practices of a nonprofit sport organization judged to be an exemplar in practicing values enactment. Our findings, resulting from analysis of interview transcripts and recordings of employees engaged in illustrating how to enact the organization’s core values, are presented next.

Employee Involvement in Value Development

Participants uniformly indicated a comprehensive understanding of the meaning of organizational values generally, as well as the development process and specific identity of the values for the NSO under study. Within this context, the process of employee involvement went from the CEO and HR manager to the Director level and finally to managers, coordinators, and administrators. At each stage, employees were able to voice their opinion and provide feedback on the applicability of each value to their NSO. Specifically, the role and engagement of senior leadership was identified as a critical component of the values development. According to Participant J, no one specific impetus for values creation started the process, rather:

It started with the CEO and HR discussing values development with the senior executive. But when we've done surveys in the past, they [staff] were saying that a lot of things have come bottom up and now they [senior managers] are trying to go the opposite way to show that everyone is embracing them. So the working groups came from senior management down.

Furthermore, Participant G indicated, "We had a group who did some brainstorming to come up with values that would represent who we are and what we strive to achieve." Similarly, according to Participant B, "...we started to talk about it and agreed as an organization after a lot of soul searching, that these five values were kind of the crux of our business." Once the values were agreed on by the leadership team and organization managers, the value development process engaged all staff members. Participant J explained:

We created a real wonderful situation that helped us all buy into it, where we were broken up into teams and each team was assigned one of the core values and everyone in those teams was instructed to come up with a dramatic, a humorous, or some kind of approach to the description of what each of those values meant. So it was a really long process. At first, I think everybody went, "Oh, no." And then, it was so well managed I think that everyone really came to understand how important values were and embraced them as a way for everyone to kind of internalize the importance of how we do business.

Relatedly, when asked how the NSO values were established, each of the 13 participants proudly provided detailed chronology of the values exercise and time frame, explaining the skits developed by five groups of employees.

As a result of the development process, all participants were able to state the five NSO core values (excellence, accountability, collaboration, adaptability, innovation) verbatim, and several interviewees described each of those values in detail. For instance, Participant I expounded on the value of excellence:

So, the value statement is, *we constantly strive for excellence in all aspects of our business to maintain a leading edge in the sport nationally and globally*. And then we have points for each sort of value. So, *we set and maintain and meet high-quality customer service, care, and member retention standards*. So I think we do really try to follow our core values now that we have them and they are very well laid out and easy to use, in terms of sponsorship and keeping our members. We have them on our website and we're trying to get the clubs and everyone else to use them too.

The very nature of organizational values was also discussed by participants with emphasis placed on the necessity of utility. For example, the importance of

organizational values being both realistic and demonstrated at all levels of the organization was voiced by Participant E:

We are a not-for-profit, and while the business of [NSO] is driven by the national office, we still have to answer to our Board... and we have to be sure that, in looking at the excellence of what we are proposing, that we've done the right research, we've spoken to the right people, that we've followed excellent business practices and that's including creating a whole bucket of standard operating procedures that the organization has never had before. So we've gone from an amateur sport organization to a real business.

The active involvement of employees at all levels during value development was highlighted within the interview data and confirmed by the video analysis. Each employee was seen taking an active role in developing scenarios for which values would play-out in their NSO. Furthermore, direct positive communication was highlighted between employees at the senior, manager, specialist, and administrator level. This in-person connection may be an essential component during the critical value development stage.

Enactment of Organizational Values

Following the value development process, strategies for enacting organizational values both internally and externally were described by participants. Primarily, each participant discussed the role they took in ensuring that organizational values became a part of their NSO's everyday practice. When queried about the rationale for engaging in the values exercise in the first place, respondents indicated that role ambiguity existed within the organization and departments tended to exist in silos, impacting effective communication and overall performance. Participant C commented, "Actually, we just had a staff meeting yesterday afternoon, and the core values came up there; it is the managers and staff who are bringing them up." The participant went on to describe the use of values:

Yesterday, we talked about values; we're having some difficulty with some streaming at an event and then they talked a lot about accountability and when one staff member was excellent and very accountable for the whole situation, and got it all straightened out. And there was also a lot of talk of collaboration between departments at events. So, there's the communication team and then marketing and the events team and they all want different things but they have to work together for the common goal of getting the event done.

Interview participants consistently identified values having both an interactional and business purpose in that values can enable employees to work together by helping create norms for behavior, while also contributing to the business goals

of the organization by helping to create shared understanding of those goals and providing direction and criteria for operational decision making. Participant B indicated:

Our particular core values I really love because I think they help us define not only what we're going to communicate, but almost more importantly, how we are going to communicate it. So I think those organizational values are the primary driving force of how we do business every day. It doesn't matter how complex the activity is that we are working on or how many millions of dollars might be at stake... These five words [values] direct us and I think help us achieve success.

The participant went on to provide the following example of how managing by values is enacted in the NSO:

We are renegotiating a wide number of contracts for sponsorship and television partnership. And although the folks that we are dealing [sic] have a lot more experience at this than we do, we are stepping beyond that lack of self-confidence that might be part of our decision-making ability, and using our core values to look at [our sport] and what it is we want as an organization to represent to these prospective partners.

Based on the description provided by the participants, employees within the NSO have enacted the values by incorporating each value into the process of everyday tasks; in essence they are beginning to "live" the organizational values. This was seen in their ability to include their values in business strategies and addressing the values in conversation relating to business practice.

Communication of Organizational Values

Twelve of 13 interview participants indicated MBV was clearly evident in the NSO because values were integrated into the business practices of the organization and positive change was evident. Specifically, participants indicated organizational values were being intentionally integrated and communicated via the following management practices: (1) hiring practices, (2) internal and external communications, (3) employee performance appraisals, (4) promoting team work, and (5) employee recognition programs. Furthermore, the core values were visible within the organization, as participants indicated specific locations within the facility where they were painted on the wall or visible on a computer screen as well as communicated externally via an email blast or newsletter. The majority of participants believed core organizational values were intentionally enacted by the employees ("it's a very deliberate thing to incorporate the values"); while a minority of respondents felt this was not the case or that some values were harder to buy into. Specially, Participant A stated that:

...it still feels like it's very much in its inception. We all display and talk about our core organization values, but I don't think about it on a day-to-day basis. To me this is an evolution and it's gonna take time; it's going to be ongoing and something that we ultimately want to become cultural.

MBV and Performance

The participants uniformly expressed the connection between MBV and performance, both organization performance and individual employee performance. Participant G commented, "The development and definition, the discovery of our values has really given us all a point of focus toward ideals that will not only make up a better organization but will make us better employees and individuals within that organization." She explained further:

I think that performance and excellence, to a large degree, is based on an employee's ability to understand the process. To understand what the business stands for and to know that there is consistency and intentional consistency in how the business is delivered...So, I think any good organization, well, no organization will ever be perfect, no parent is either, but the ability for us to be consistent and honor the decisions that we've made about our five [values] and the way in which our organization does business, I think that creates success.

Organization and individual performance measures linked by participants to implementing MBV practices included a number of indices of performance as presented in Table 3.

A key component noted by participants was that MBV can certainly be positive; however, values must be reinforced and managed to ensure positive outcomes are felt by the organization and its internal stakeholders.

Discussion

In this study, we examined the use of organizational values in the management practices of a nonprofit sport organization chosen as a rich setting for values-based management practice. Our intention was an in-depth study of values development and management by staff members, specific MBV practices within the organization, and the perceived links between MBV and performance. As expected, the data demonstrated the selected NSO was indeed thoroughly vested in its stated values. This supports previous literature in the NSO context in that the findings highlight the importance of organizational values in NSO functioning (Amis, Slack, & Hinings, 2002; Danisman, Hinings, & Slack, 2006; Hinings et al., 1996; Kikulis et al., 1992); however, the data here extends this knowledge by outlining *how* organizational values are managed to impact functioning. In particular, employees knew the values, had been involved in defining the organization's core values, and believed in the efficacy of imbedding the values within management

practices. As Dolan et al. (2006) indicated, MBV involves leaders leveraging stated organizational values in everyday management practices such that decisions are consistently applied and collectively understood. For this to work in practice, values must be understood and reciprocal trust engaged by employees (Zhang et al., 2009). The engagement of employees in (a) creating the NSO core values, (b) developing the principles upon which those values would be enacted, and (c) demonstrating the tenets of MBV in the skits performed by employees is of particular interest. As such, a way of managing that involves a collectively agreed upon list of values can become embedded in the culture of the organization, linking to important outcomes related to performance and interpersonal relationships. This finding is similar to the work of Kikulis et al. (1992) who suggested that organizational values are an embedded component of collective understanding regarding design structures.

Moreover, the social exchange involved in collective value generation may engage colleague behavior that is collegial in nature, and may also connect employees to supervisors, promoting citizenship behavior (Konovsky & Pugh, 1994). Tyler (2011) indicated the importance of engaging employees in the value development process. The need for buy-in from employees and regular assessment of values plays an important role in promoting employee effort and organizational performance (Cha & Edmondson, 2006).

When enacting values, the findings extend previous work regarding values management, which suggested managers play the most important role in interpreting, communicating, and rewarding performance towards stated values (Paarlberg & Perry, 2007). This supports Dolan and his colleagues (2006), who suggested that for MBV to be successful, the often-untapped potential of each individual staff member's knowledge of the organizational values needs to be harnessed toward an organization's goals. Within this exemplar case, all participants (whether upper management or administrative) consistently identified their roles in "living" the values and ensuring both an interactional and business purpose for their organization's values. This was discussed as being particularly relevant in sport given that an employee at any level of the organization can be offsite at an event and responsible for autonomously enacting organizational values. The findings contribute to this contention by suggesting that the adoption of MBV strategies involves actively managing human resource management (HRM) practices that include values and values statements in everyday business and communication. Specifically, the findings suggest that sport management theory regarding the enactment of MBV may be enhanced by applying a resource-based view (Jiang, Lepak, Hu, & Baer, 2012) of HRM practices. For example, the resource-based view suggests that to achieve a competitive advantage sport managers must adopt (1) recruitment (e.g., job posting promotional material), (2) management (e.g., employee recognition programs), and (3) development (e.g., performance appraisals) strategies. The findings here highlight that the adoption of MBV requires each of

these strategies be directly linked to organizational values that represent indicators of employee success.

Accordingly, a strong perceived link between MBV and improved organization and individual performance was uncovered. This is consistent with the literature in which shared values employed consistently in day-to-day management practices have been related to employee trust and performance (Donker et al., 2008; Macy, 2006; Gregory et al., 2009). Further, this develops the notion of organizational values contributing to performance (Hinings et al., 1996; Kikulis et al., 1992), by providing empirical evidence of the strategies used by an NSO to explicitly link organizational values to improvement in performance and efficiency. This explicit and direct link between values (what an organization says they are going to do) and organizational performance (what is actually done) provides a management strategy that contradicts Cha and Edmondson (2006) who discussed a trend towards empty value statements and perceived leader hypocrisy in organizations. This may be particularly prevalent in sport non-profit sport organizations where competing values among stakeholders regarding high performance sport versus sport-for-all may result in perceptions of hypocrisy when analyzing outcomes (Babiak, 2009). The findings in this context suggest that enacted and communicated MBV may help elevate the potential disconnect between values and performance in this and other sport contexts (e.g. intercollegiate athletics, for-profit sport entities).

Conclusion

We concluded there is merit in studying MBV in the context of an exemplar. This strategy allowed the researchers to increase knowledge regarding a relatively new phenomenon (i.e., MBV) by empirically exploring an archetype of how this phenomenon is effectively implemented and managed in the nonprofit sport setting. The findings identified the development of core organization values, and a process by which those values came to be understood and affirmed within the organization's management practices. Critical to participants' understanding and acceptance of the values was that each participant within the NSO was involved in conceptualizing, developing, and managing the values that permeated throughout their organization. This involvement or engagement of employees was considered to be the fundamental discovery within this study as it represented the embodiment, understanding, buy-in, and application of the organization's values by the employees' in their everyday work lives. Moreover, the use of MBV also resulted in the achievement of business goals, by enabling operational decision-making through a resource-based view of HRM practices. Specifically, HRM practices associated with hiring, performance appraisal, and recognition practices were directly impacted by the strategic enactment of management by values to enhance performance in this case. Informants believed that both internal and external communications and team work were also positively influenced leading to improved organization performance.

We acknowledge that our findings are limited specifically to this NSO; however, the findings may also be of interest and relevance to sport practitioners and scholars in other sport organizations in Canada and abroad. Managers and scholars in other contexts may look at these findings more generally when considering the specific role of integrating the concept of MBV within organizational practice. We recognize that the study design which purposely investigated an NSO considered an exemplar in values management could have involved the construction of post-hoc justifications by participants. While acknowledging this potential limitation, we believe that the saturation of responses received and diversity of opinions and practices shared by study participants essentially eliminate this constraint.

Implications

Regarding best practices, the findings highlight the need for shared values to guide behaviors and decision making where values are used as a means for communication and effective interpersonal interaction. In addition values-based management practices related to planning, hiring, performance appraisals, and rewards programs should be adopted where internal stakeholders are seen to “live” the values through everyday operational practices. Specifically, interpersonal relationships and outcomes in this case are inherently linked to mutually agreed upon values. Given that these unspecified future obligations (planning, hiring, etc.) are promoted on the basis of trust and long-term fairness, a positive social exchange regarding values development, enactment and communication is presumed to lead to positive functional outcomes.

Finally, we suggest that MBV has been perceived by sport organization employees as positively impacting the interpersonal and managerial performance of personnel, thereby supporting the literature expounding the importance of values to organization performance. Thus, engaging sport leaders on the value of values for the strategic management of sport organizations may have enduring impact for leaders in environments that are attempting to increase organizational effectiveness in complex, turbulent, and economically challenging times.

References

- Adler, P. S., Forbes, L. C., & Willmott, H. (2007). Critical management studies. In J. P. Walsh & A. P. Brief (Eds.), *The academy of management annals: Vol. 1* (pp. 119–179). Mahwah, NJ: L. Erlbaum Associates.
- Agle, B., & Caldwell, C. (1999). Understanding research on values in business. *Business and Society*, 38, 326–387.
- Amis, J., Slack, T., & Hinings, C. (2002). Values and organization change. *The Journal of Applied Behavioral Science*, 38, 436–465.
- Argandoña, A. (2003). Fostering values in organizations. *Journal of Business Ethics*, 45, 15–28.
- Babiak, K. M. (2009). Criteria of effectiveness in multiple cross-sectoral interorganizational relationships. *Evaluation and Program Planning*, 32, 1–12.

- Becker, B., & Gerhart, B. (1996). The impact of human resource management on organizational performance: Progress and prospect. *The Academy of Management Journal*, 39, 779–801.
- Bell-Laroche, D. MacLean, J., Thibault, L., & Wolfe, R. (in press). Leader perceptions of management by values within Canadian national sport organizations. *Journal of Sport Management*, 27.
- Berg, B. L., & Lune, H. (2011). *Qualitative research methods for the social sciences*. Toronto: Pearson.
- Canadian Sport Policy. (2012). *Canadian Sport Policy 2012*. Retrieved from http://sirc.ca/CSPRenewal/documents/CSP2012_EN.pdf on August 12, 2013.
- Cha, S. E., & Edmondson, A. C. (2006). When values backfire: Leadership, attribution, and disenchantment in a values-driven organization. *The Leadership Quarterly*, 17, 57–78.
- Child, J. (1972). Organizational structure, environment and performance: The role of strategic choice. *Sociology*, 6(1), 1–22.
- Collins, J. C., & Porras, J. I. (1994). *Built to last: Successful habits of visionary companies*. New York: Harper Collins.
- Danisman, A., Hinings, C., & Slack, T. (2006). Integration and differentiation in institutional values: An empirical investigation in the field of Canadian national sport organizations. *Canadian Journal of Administrative Sciences*, 23(4), 301–317.
- Deal, T., & Kennedy, A. A. (1982). *Corporate cultures*. Reading, WV: Addison-Wesley.
- Dess, G., & Robinson, R. (1984). Measuring organizational performance in the absence of objective measures: The case of the privately held firm and conglomerate business unit. *Strategic Management Journal*, 5, 265–273.
- Dolan, S., & Garcia, S. (2002). Managing by values: Cultural redesign for strategic organizational change at the dawn of the twenty-first century. *Journal of Management Development*, 21, 101–117.
- Dolan, S., Garcia, S., & Richley, B. (2006). *Managing by values: A corporate guide to living, being alive, and making a living in the 21st Century*. New York: Palgrave Macmillan.
- Donker, H., Poff, D., & Zahir, S. (2008) Corporate values, codes of ethics, and firm performance: A look at the Canadian context. *Journal of Business Ethics*, 18(3), 527–537.
- Granger, M. (2006). Outcomes of values and participation in ‘values-expressive’ nonprofit agencies. *Journal of Behavioral and Applied Management*, 7, 165–181.
- Gregory, B., Harris, S., Armenakis, A. & Shook, C. (2009). Organizational culture and effectiveness: A study of values, attitudes, and organizational outcomes. *Journal of Business Research*, 62, 673–679.

- Hambrick, D., & Brandon, G. (1988). Executive values. In D. Hambrick (Ed.), *The executive effect: Concepts and methods for studying top managers* (pp. 3–34). Greenwich, CT: JAI.
- Havaris, E., & Danylchuk, K. (2007). An assessment of Sport Canada's sport funding and accountability framework, 1995–2004. *European Sport Management Quarterly*, 7, 31–53.
- Hinings, C., Thibault, L., Slack, T., & Kikulis, L. (1996). Values and organizational structure. *Human Relations*, 49, 885–916.
- Imagine Canada. (2006). *Sports and recreation organizations in Canada*. Retrieved from http://www.imaginecanada.ca/files/www/en/nsnvo/h_sports_recreation_factsheet.pdf
- Jaakson, K., Reino, A., & Vadi, M. (2009). Organizational values and organizational practice: What makes them diverge? *Estonian Business School Review*, 25, 9–25.
- Jiang, K., Lepak, D. P., Hu, J., & Baer, J. C. (2012). How does human resource management influence organizational outcomes? A meta-analytic investigation of mediating mechanisms. *Academy of Management Journal*, 55, 1264–1294.
- Kanter, R. (2008). Transforming giants. *Harvard Business Review*, 86(1), 43–52.
- Kikulis, L., Slack, T., & Hinings, B. (1992). Institutionally specific design archetypes: A framework for understanding change in national sport organizations. *International Review for the Sociology of Sport*, 27(4), 343–368.
- Konovsky, M., & Pugh, D. (1994). Citizenship behavior and social exchange. *The Academy of Management Journal*, 37, 656–669.
- Lencioni, P. (2002). Make your values mean something. *Harvard Business Review*, 80(7), 113–117.
- Macy, G. (2006). Outcomes of values and participation in values-expressive non-profit agencies. *Journal of Behavioral and Applied Management*, 7, 165–181.
- Marginson, D. (2009). Value systems as a mechanism for organizational change. *Journal of Accounting and Organizational Change*, 5, 7–34.
- Mulholland, E. (2008) *What sport can do: The True Sport report*. Ottawa, Ontario: Canadian Centre for Ethics in Sport.
- Paarlberg, L., & Perry, J. (2007). Values management: Aligning employee values and organizational goals. *The American Review of Public Administration*, 37, 387–408.
- Patton, M. (2002). *Qualitative evaluation and research methods* (3rd ed.). Thousand Oaks, CA: Sage.
- Slack, T., & Parent, M. (2006). *Understanding sport organizations. The application of organization theory*. Champaign, IL: Human Kinetics.
- Sport Canada. (2011, August). *National sport organizations*. Retrieved from <http://www.pch.gc.ca/pgm/sc/fed/index-eng.cfm>
- Tyler, K. (2011). Evaluating values. *HR Magazine*, 56(1), 57–62.

- Weick, K. (1993). Sensemaking in organizations: Small structures with large consequences. In J. Murnighan (Ed.), *Social psychology in organizations: Advances in theory and research* (pp. 10–27). Englewood Cliffs, NJ: Prentice Hall.
- Wiener, Y. (1988). Forms of value systems: A focus on organizational effectiveness and cultural change and maintenance. *The Academy of Management Review*, 13, 534–545.
- Williams, S. (2011). Engaging values in international business practice. *Business Horizons*, 44, 315–324.
- Yeh, C. M., & Taylor, T. (2008). Issues of governance in sport organizations: A question of board size, structure and roles. *World Leisure Journal*, 50, 33–45.
- Yin, R. (2003). *Case study research: Design and methods* (3rd ed.). Thousand Oaks, CA: Sage.
- Zhang, Y., Dolan, S., & Zhou, Y. (2009). Management by values: A theoretical proposal for strategic human resource management in China. *Chinese Management Studies*, 3, 272–294.