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**The effect of voluntarily disclosed managerial values on the level of
embeddedness of managerial values: A focus on Swiss SMEs**

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The effect of voluntarily disclosed managerial values on the level of embeddedness of managerial values: A focus on Swiss SMEs

Abstract

This paper explores the relationship between the amount of disclosed managerial values of small and medium-sized enterprises (SMEs) and the embedment of managerial values. In a departure from previous research of managerial values, a conceptual Maturity Model of Managerial Values was developed which articulates the extent to which values are integrated or embedded within organisations. This allowed a rigorous examination of the amount of values disclosure as to the degree of values-embeddedness in SMEs. Results suggest a positive relationship between quantitatively disclosing more information and a higher degree of values-embeddedness. Implications of results are discussed and suggestions for further research are presented.

Keywords

Business ethics; codes of conduct; corporate social responsibility; ethics, values and management futures; organisational culture; values

Worldwide, micro, small and medium-sized enterprises (SMEs) are economically and socially important, since they represent the vast majority of businesses (Eurofound, 2013; UNIDO, 2002). A recent OECD (Organisation for Economic Co-operation and Development) study highlights that in most countries worldwide SMEs represent 95% of all companies. In fact, over 99% of companies in OECD and G20 countries are SMEs (OECD, 2015). SMEs therefore account for a large proportion of total employment – worldwide at least 60% (OECD, 2015) – and contribute considerably to national and global economic growth. Moreover, SMEs are responsible for driving innovation and competition in many industry sectors, and for contributing to entrepreneurship (Nawi et al., 2012).

Research clearly establishes managerial values as a key determinant of behaviour in companies and a determinant of corporate success (Miroshnik & Basu, 2012; Padaki, 2001; Rokeach, 1973). It is further acknowledged that, among other managerial actions, managerial values influence decision-making and strategic choices (Freeman, Gilbert, & Hartman, 1988; Pant & Lachman, 1998) which are vital activities for determining a competitive advantage in the business world (Elsayed- Elkhoully & Buda, 1997) and, ultimately, the performance of organisations (Riekhof, 2010).

The purpose of this study was to develop a broader understanding of the relationship between the quantitative disclosure of managerial values and values actually held in SMEs. A further aim was to produce evidence by taking a different approach to existing literature: examining the degree of the embedment of managerial values and assessing this against the amount of disclosed values information. For this reason, a conceptual Maturity Model of Managerial Values (MM-MV) was created. By illustrating the impact between quantitative values disclosure and values embeddedness, it was intended to show senior management that an increase in releasing values will produce greater emphasis on values if they are lived.

Hence, from a practical perspective, this study suggests that managers can benefit from augmenting awareness of their own values and by employing the MM-MV, which may affect the firm's performance if these values are consistently internalised throughout the firm. Additionally, this study contributes to existing knowledge by further empiricism in considering how the maturity of managerial values is influenced by quantitatively communicating them.

This study employed a mixed method approach collecting qualitative data by means of the content analysis method to define the maturity levels of managerial values and carrying out subsequent statistical data analysis methods using multivariate techniques. Annual reports served as a foundation.

THEORETICAL FRAMEWORK

Managerial values

Values are the ‘bedrock’ of both small and large organisations (Deal & Kennedy, 2000, p. 21). As values are beliefs that guide human beings’ actions and judgements through daily situations, they influence attitudes and behaviour (Rokeach, 1973). Values fulfil functions that are particularly relevant to managerial values. That is, values serve as reasonably stable multifaceted standards and broad frameworks guiding and determining action, modes of conduct, goals, choices, decisions, attitudes, ideology or presentation of self and others, and persuading and influencing others (Bamberger, 1986; Cheung, Maio, Rees, Kamble, & Mane, 2016; Rokeach, 1968; Westwood & Posner, 1997).

Personal values, upon which managerial values are built, are learned, and are an intrinsic part of a person’s life. They are acquired early in life from parents and other significant persons in one’s personal social environs (Guth & Tagiuri, 1965; Westwood & Posner, 1997). Cultural attributes also clearly influence individual values (Cheung et al., 2016) and become a dominant variable shaping a personal values framework (Ralston et al., 1993). Decisions are made within this framework of personal value systems, which varies from one person to another. Managers order their values according to importance whereby a variety of attitudes influence their behaviour and decisions (Siriwardhane & Taylor, 2014).

As managerial values are formed through an experiential learning process within a social structure and culture (Ralston et al., 1993) they are derived from an individual’s perception of the world and become part of an individual’s personality. Accordingly, a manager’s working world leads to the development of a hierarchy of work values which shape managerial prioritising, decision-making and behaviour considerably (Westwood & Posner, 1997). Both this value-based freedom, which eventually drives employees’ behaviour, and taking decisions based on one’s own judgement in particular situations, may be driving forces for managerial and organisational success (e.g. England & Lee, 1974; Miroshnik & Basu, 2012; Westwood & Posner, 1997).

Embedment of managerial values

For a firm to be successful, it is crucial that managerial values are both espoused and embedded across all its members. Only then can employees' behaviour be aligned with management's vision and mission in which values are fundamental and core (Varbanova, 2012). The espoused values are those that are visible and intended to inform all stakeholders about the behaviour that is aimed at (1987; Purang & Sharma, 2007). Embedded values, in contrast, are lived and expressed in employees' behaviour and thus experienced by all stakeholders. Obviously, the gap between espoused and embedded values should be as narrow as possible – this being achieved by building a shared understanding of what behaviours are expected when values are lived. The entire staff body must be engaged emotionally and intellectually (Sullivan, Sullivan, & Buffton, 2001).

The embedment of managerial values cannot be simply labelled as a success or failure, but by levels of embedment which need to be measured (Goodman & Dean, 1982). Maturity modelling is the most comprehensive measure (Dresner, 2010); an increasingly used concept to identify degrees of institutionalisation in general (Harmon, 2009; Pöppelbuss & Röglinger, 2011) and in business economics in particular (Nesensohn et al., 2014). Maturity levels capture the extent to which a firm has thoroughly entrenched its managerial values (Forstner et al., 2014). As a result, maturity modelling was considered suitable to measure the degree of values embedment in this research.

Voluntary disclosure of values and embedded managerial values

Published corporate annual reports, which were used as the main information source for this research, are frequently used as a medium for conveying relevant information to company stakeholders (Bhasin, 2012) and are the most comprehensive of the communication channels (Hooks, Coy, & Davey, 2002). Annual reports are also perceived to be highly credible (Neu & Wright, 1992, as cited in Dawkins & Fraas, 2013). This credibility is further enhanced by audited financial statements and the expectation that the authors ensure correct and non-misleading information that might otherwise damage the true and fair view of financial records (Sharma, Low, & Davey, 2013; Sweeney & Coughlan, 2008). Consequently, annual reports are regarded as 'the most representative vehicle of disclosure' (Dawkins & Fraas, 2013, p. 247). In turn, corporate disclosure to stakeholders is the principal means by which a

firm is able to become transparent (Solomon & Solomon, 2004, as cited in Bhasin, 2012; Hooks et al., 2002).

Voluntary (and mandatory) disclosure has attracted research attention from many viewpoints and has generated a substantial body of literature. Although researchers differ in their findings, there is considerable evidence of a positive relationship between corporate disclosure and beneficial financial outcomes (e.g. Chi, 2009; Chiang, 2005; Nalikka, 2008; Patel, Balic, & Bwakira, 2002). Literature also exhibits that companies thoroughly engaging in socially responsive activities, which refer to values (Carroll, 1999), provide more information and thus disclose more extensively on the corresponding topic (Gelb & Strawser, 2001). Additionally, sources have identified corporate voluntary disclosure to be positively related to corporate culture (e.g. Cahan & Malone, 1995; Gelb & Strawser, 2001; Nalikka, 2008) and thus to values. Literature also concludes that firms develop a general attitude towards disclosure which demonstrates that increased disclosure in one operational field leads to increased disclosure in other fields (Brammer & Pavelin, 2004; Lang & Lundholm, 1993) and that values are expressed in the disclosure of practices in enterprises' operations (Thomas, 1989). Therefore, it may be assumed that companies generally disclosing more information would also provide more narrative material on their values, and thus achieve a higher level of maturity of managerial values. This is because firms that discuss this topic extensively and in-depth show their existing sensitisation and involvement, which is an indicator for well-embedded values. In addition, providing voluntary information is an indicator of corporate priorities (Gray, Javad, Power, & Sinclair, 2001). In view of these findings, this research assumes that:

Hypothesis H1. Swiss SMEs' quantitative disclosure of information on values and related topics in their annual reports have a significant positive relationship on the level of maturity of managerial values.

Hypothesis H2. Swiss SMEs on average disclosing quantitatively more information on managerial values and related topics in their annual report have a higher level of maturity (3-5) of managerial values than those enterprises disclosing quantitatively less.

RESEARCH METHODOLOGY

Based on the hypotheses, the following research model has been established and tested with the main aim of obtaining empirical evidence of the relationship between the amount of disclosure of managerial values information in SMEs and the maturity of managerial values. As illustrated in the research model (Figure 1), this was analysed together with three other organisational factors – industry sector, firm size and firm age – which motivated a cumulative approach. This paper is part of a larger study investigating the effect of embedded managerial values on financial performance.

The arrowhead in the model (Figure 1) indicates the presumed direction of impact between the variables. All required information for the dependent and independent variables was collected by means of corporate annual reports of 46 Swiss SMEs over a five year period 2007-2011.

Insert Figure 1 about here

Research sample

Small and medium-sized Swiss enterprises

This research was based on the corporate sector of Swiss SMEs. In Switzerland, SMEs are vitally important to the economy and society, as more than 99% of all firms under private law are SMEs and about two thirds of the economically active population work in SMEs (SFSO, 2017). In addition, the homogeneous and compact market, and the capacity of organisations to be investigated, make Switzerland a suitable country in which to study SMEs. Situated in the heart of Europe, the multilingual Swiss culture further reflects a valuable sample of Europe's cultures. Other factors driving this study were the readiness and effectiveness of which managerial values are applied in a small to medium-sized environment, and the assumed accessibility and comparability of data for conducting robust empirical research. Yet, free access to corporate annual reports in Switzerland is limited to public (listed) firms.

While there is no consensus on definitions of SMEs (OECD, 2015), academia has generally utilised a size limit of 250 or 500 employees to define this type of organisation (Krishnan & Scullion, 2016). For this study, SMEs were classified as having a minimum number of 10 FTE and a maximum of 500.

Sample size

Publicly traded SMEs comply with requirements that both firms' structural data and information on managerial values are openly accessible and thus comparable. Hence, the SPI Small (a sub-index of the Swiss Performance Index representing Swiss small caps, i.e. companies with a relatively small market capitalisation) offered an adequate sampling frame epitomising transparency, standards and comparability of information, and accuracy and trustworthiness due to regulatory guidelines. At the time of data collection, the SPI Small comprised the 118 smallest enterprises of the SPI. After eliminating enterprises that did not fulfil this study's requirements, a final sample of 46 SMEs remained. Firms were considered out of the scope of the study when not fitting into the range of SME size (10 to 500 FTE), not being available for the full period of investigation (2007-2011), or when undergoing a merger and acquisition during the period. As a result, the final sample comprised 230 data sets (46 firms over 5 years) containing all required information.

Annual reports

A significant amount of organisational material is available in annual reports (Glebbeck & Bax, 2004; Veal, 2005) such as managers' statements and other information on operating activities, including financial data (Cowton, 1998; Fahr & Rose, 2017). However, only public companies disclose detailed information on their structure, managerial insights, finances and other items, as required by law. It is the managers' choice to emphasise their values and to share them with customers and partners at every possible interaction (Peat, 2003). Firms that base their business on values are both interested in communicating them and keen on presenting the values enactment and its evolution. Internal and external communications are crucial elements in informing and communicating values and codes of ethics within and outside of the organisation (Svensson, Wood, Singh, Payan, & Callaghan, 2011). A corporate annual report is a broad and trusted mechanism for communicating with stakeholders (Yuthas et al., 2002) and, in research, emerges as the most reliable method of studying communication with stakeholders (Khanna & Irvine, 2012). Annual reports are also useful indicators of corporate priorities (Gray et al., 2001). As such, it was considered particularly suitable to use annual reports as the basis for this investigation.

Maturity model of managerial values

From a business perspective, maturity models serve to assess and evaluate the evolution of any business initiative which is likely to affect business process and activity (Hsieh et al., 2009). Generally, maturity models describe the development of an entity over time and follow a natural life-cycle approach. They own the following characteristics: a) the evolution of a single entity is described by means of a determined number of maturity levels; b) each maturity level consists of specific criteria; c) levels are ordered sequentially in an ascending way; and d) when progressing from one level to another, none of them can be omitted since the previous level is fundamental for the one which follows (Klimko, 2001).

Yet a distinct maturity model measuring the embedment of managerial values has not been discovered. However, the People-CMM (P-CMM) – emerged from the frequently utilised and widely recognised Capability Maturity Model (CMM) developed in 1991 by the Software Engineering Institute of Carnegie-Mellon University – closely relates to employees' behaviour and corporate culture (Sinha & Date, 2013) and therefore served as a reference framework for tailoring a maturity model measuring the embedment of managerial values. In addition, a considerable number of values-specific literature and scholarly works on other maturity models were consulted and relevant aspects integrated. The outcome of this tailoring process was the MM-MV as presented in Figure 2. The MM-MV describes six evolutionary stages in embedding managerial values in an organisation. This concept follows the view that the organisation would become aware of values, learn more about them, implement and deploy them throughout the organisation, and achieve mastery in their use.

Insert Figure 2 about here

The levels of the MM-MV are summarised as follows. As the designation of the *level zero* suggests, values are completely absent in the indifferent/non-existent level. At the *first level*, the initial level, an organisation has no consistency in communicating and therefore disclosing their managerial values. They appear to be implemented in an ad hoc and rather chaotic manner, as well as in the absence of systematic development. At the *second level* of maturity, the defined level, values are defined and organisations are involved with managing the implementation of their values. Values-related communication starts gaining importance. At the *third level* of maturity, the systemised/linked level,

organisations unify values in a system and clearly specify and standardise values-related processes. That is, values are comprehensively and systematically applied to practice. At the *fourth level* of maturity, the (quantitatively) managed level, the organisation begins managing its processes to internalise managerial values. Key performance indicators on values are systematically measured, analysed and monitored in order to identify variations and causes. Lastly, at the *fifth* and highest *level* of maturity, the optimised/mastered level, the entire organisation uses its far-reaching knowledge to continuously improve its processes, embed its managerial values, and address a change management approach with a focus on continuous optimisation of values internalisation.

For each level, the MM-MV consists of assessment criteria which define each level of the maturity model. Every level is further explained by means of several examples from practice. Table 1 presents an example of a criterion with a practical use for maturity levels one and three.

Insert Table 1 about here

Methods of data analysis

Based on the mixed method approach, qualitative data was collected by employing the content analysis method to define the maturity levels of managerial values, which were then used to carry out the subsequent statistical data analysis methods. The multivariate techniques were conducted by means of the IBM SPSS Statistics predictive analytics software package.

Variables

Maturity level. The maturity levels of managerial values are gained through the content analysis of corporate annual reports. The criteria catalogue of the MM-MV forms the basis to conduct the content analysis. 46 Swiss SMEs were assessed against the levels as illustrated in Figure 2.

Amount of disclosure of managerial values information. Being collected from SMEs' annual reports the amount of disclosed managerial values information, together with industry, firm size and age, formed a group of independent variables that are proposed to influence the maturity level of managerial values.

Content analysis

This technique aims to describe and quantify specific phenomena (Berelson, 1952; Downe-Wamboldt, 1992; Krippendorff, 1980) or ‘to derive quantitative scales of varying levels of complexity’ (Abbott & Mosen, 1979, p. 504) such as the maturity level of managerial values. In content analysis, validity and reliability are crucial and careful attention needs to be paid in order to minimise challenges associated with these issues. Following Downe-Wamboldt (1992) it is recognised that the researcher utilises a particular framework or perspective to analyse the information. In this study, the category system, which embraces the maturity model, was tailored from a review of the literature and a previously established category system (P-CMM). To ensure reliability, which includes reproducibility (Krippendorff, 1980), the assessment criteria of the MM-MV were peer verified and an ‘intersubjective agreement’ (Krippendorff, 1980, p. 131) was attained. Cohen’s kappa (κ) was used to statistically examine the assumed interrater reliability. Additionally, with the aim of verifying validity, a pre-sample of SPI Small SMEs was assessed against the tailored model and subsequent optimisations were produced.

Statistical analyses regarding hypotheses H1 and H2

The main purpose of this paper was to test and understand if there was an interaction between the independent variable amount of disclosure of managerial values information and the dependent variable maturity level of managerial values. That is, hypotheses H1 and H2 aim to predict an ordinal dependent variable (values) given a continuous (H1) and a discrete (H2) independent variable (amount of disclosure). As such, for both hypotheses H1 and H2 an ordinal logistic regression was conducted. Since this paper sheds light only on one aspect of a larger study, which consisted of a set of independent variables reflecting different organisational factors (refer Figure 1), a cumulative approach was applied.

RESULTS

This cumulative odds ordinal logistic regression covered hypotheses H1 and H2 as well as the effect of industry, company size expressed in FTE, and company age on the maturity level of managerial values. The focus of this paper lies on whether there is an effect between the amount of disclosed managerial values information and the maturity level of managerial values.

In testing *hypothesis H1*, an increase in the amount of disclosed managerial values information was associated with an increase in the odds of considering maturity level of managerial values, with an odds ratio of 5.243 (95% CI, 3.507 to 7.839), Wald $\chi^2(1) = 65.192$, *** $p < .001$ (Table 2).

Insert Table 2 about here

In obtaining these results, model fit, pseudo r-square, and test of model effects were conducted – all produced statistically robust results (Tables 3-6). As a result, the findings revealed a statistically significant positive relationship between the amount of disclosed managerial values information and the maturity level of managerial values. H1 was therefore supported.

Insert Tables 3-6 about here

For *hypothesis H2*, another cumulative odds ordinal logistic regression analysis was carried out. In this instance up to and above average of the independent variable was tested with regard to the effect on the dependent variable's higher and lower levels. This resulted in the odds ratio being in a higher category of the dependent variable for above average values disclosed, versus up to average values disclosed, as 15.610 (95% CI, 8.517 to 28.611), a statistically highly significant effect, $\chi^2(1) = 79.023$, *** $p < .001$ (Table 7).

Insert Table 7 about here

In gaining these results, model fit, pseudo r-square, and test of model effects were performed. Despite goodness-of-fit tests not being a fit (due to small expected cell frequencies), the final model statistically highly significantly predicted the dependent variable over and above the intercept-only model, $\chi^2(3) = 139.861$, *** $p < .001$ (Tables 8-9). Pseudo r-square, and test of model effects produced robust statistical results (Tables 10-11). Consequently, the results of the parameter estimates indicated a statistically highly significant positive relationship between above average of the quantity of disclosed values in SME annual reports, and the higher level of maturity of managerial values. H2 was thus supported.

Insert Tables 8-11 about here

In summary, the results of the ordinal regressions have clearly shown that the amount of disclosed managerial values information matters in terms of how well embedded managerial values are in SMEs.

DISCUSSION

The aim of this research was to explore the quantity of published managerial values in relation to the maturity of managerial values in SMEs. The study addressed this purpose by applying a mixed-method approach based on a wide range of corporate annual reports published by listed firms. The statistical results show that the amount of disclosed managerial values information significantly contributed to SMEs' maturity levels of managerial values. The results also revealed that publishing a greater quantity of managerial values information yields higher maturity levels than disclosing less. Prior research highlights that values-sensitive companies disclose more information on values and values-related topics (Gelb & Strawser, 2001) and that corporate voluntary disclosure has a positive link to corporate culture (Nalikka, 2008) which includes managerial values. These empirical findings therefore provide a further understanding of the interaction between the voluntary disclosure of values and the extent to which values are implemented in an enterprise. At the same time, by applying this study's research model, this work provides a different perspective to former researchers (e.g. Ofori & Sokro, 2010; Sousa, Ruzo, & Losada, 2010). As a result, by adding further empiricism, this study not only contributes to management practice but also to existing knowledge, particularly through the newly tailored MM-MV.

By confirming this study's proposition, the findings assume that corporate managers, who are engaged with their values, not only disclose a fair amount of information, but also comprehensively involve themselves and their enterprise with the values subject. It is pertinent to mention that executives also widely recognise the economic benefits to be obtained from a well-managed reporting policy (Bhasin, 2012) which at the same time contributes to the disclosure-values discussion and emphasises its relevance. Also important to bear in mind is that corporate disclosure to stakeholders is the principal means by which a firm is able to become transparent (Solomon & Solomon, 2004, as cited in Bhasin, 2012; Hooks et al., 2002). Transparency, in turn, is a vital factor allowing the company's stakeholders to appraise and be involved with the company, and thus ensure a constructive interaction (Parum, 2005).

Although quantitative disclosure focussed on the maturity level, the findings may well have an effect on financial performance. This is because a higher maturity level tends to enhance the economic outcome of a Swiss SME (Neher, 2015). It is therefore suggested that the potential association of the quantity of disclosed values on the financial outcome be investigated in future studies. This potential association, focusing on managerial values, is supported by existing evidence, demonstrating a positive relationship between corporate disclosure and beneficial financial results (e.g. Chi, 2009; Chiang, 2005; Nalikka, 2008).

Limitations

In this study two limitations can be identified. Firstly, in spite of the rigorously developed MM-MV, which suggests producing reliability measures, inherent subjectivity was still involved in the coding scheme used for the content analysis. This issue was addressed by using one researcher to undertake all the initial coding and a peer to randomly check a sample of the first researcher's coding. Secondly, due to the limited number of Swiss SMEs of which all relevant information for this study was publically available, a relatively small number of firms could be investigated. The number of researched SMEs was defined by selection criteria applied to the SPI Small population. With this restricted sample size, caution should be applied, as this study's observations might not be able to make unrestricted generalisations for all Swiss SMEs. These limitations must be weighed against the potential to gain new insights into corporate practices relating to institutionalising senior management's values.

Conclusion and directions for future research

All the discussions within this study have centred upon Swiss SMEs. However, for sound judgement of usefulness and transferability (validity) it would be useful to practitioners if the findings could be transferred to businesses in other contexts – especially internationally or cross-nationally. This could also lead to managerial recommendations and teaching, policy formulation, and other implications.

Other perspectives or methodologies could support or contradict the findings of this research. As this research relied heavily on hard data already written and published, one can imagine qualitative methodologies being useful such as in-depth interviews on managerial behaviour on various levels, a survey of employees, on-the-spot observations, and shareholder and stakeholder views via

questionnaires – just to name a few perspectives. These methodologies may provide depth and reasoning to some findings or may even reveal differences between written statements and actual behaviour. Triangulation of data and methodologies is generally a good way to validate research findings. If supported, the identified disclosure-values link would prove an even more valid outcome to be transferrable to other contexts.

From a practical perspective, it would be interesting to see how the implementation of values and the creation of value-oriented mind-sets can be created and nourished within a corporate environment. An array of new and inspiring research topics and themes may arise from this perspective alone.

In summary, this research contributes to professional practice, particularly to SME managers, by delivering a concrete model – which can be used for any form of organisation and industry – to assess and improve the corporate embeddedness of managerial values. Based on a firm's current maturity level, an upper level can be targeted and integrated in strategic considerations. Based on evidence that, among other managerial initiatives, managerial values are likely to influence economic performance, SME managers are offered an opportunity to take the company's economic success into their scope of control.

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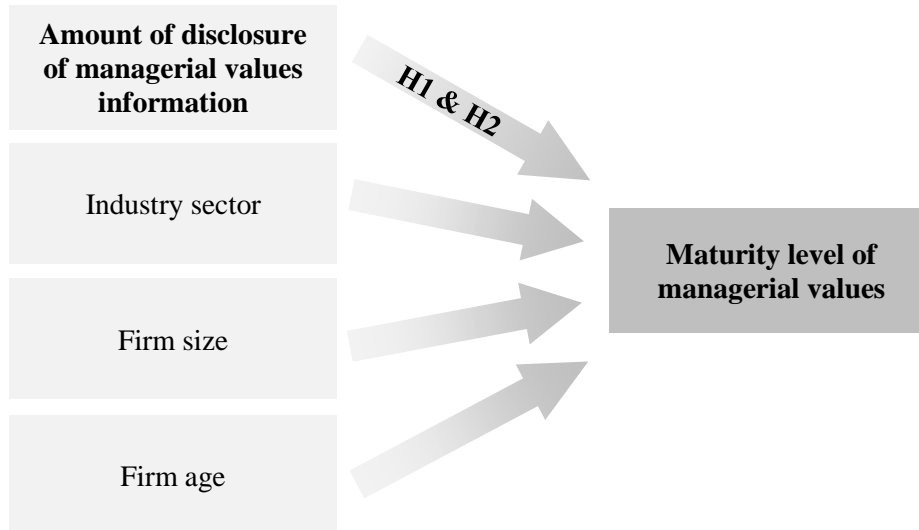
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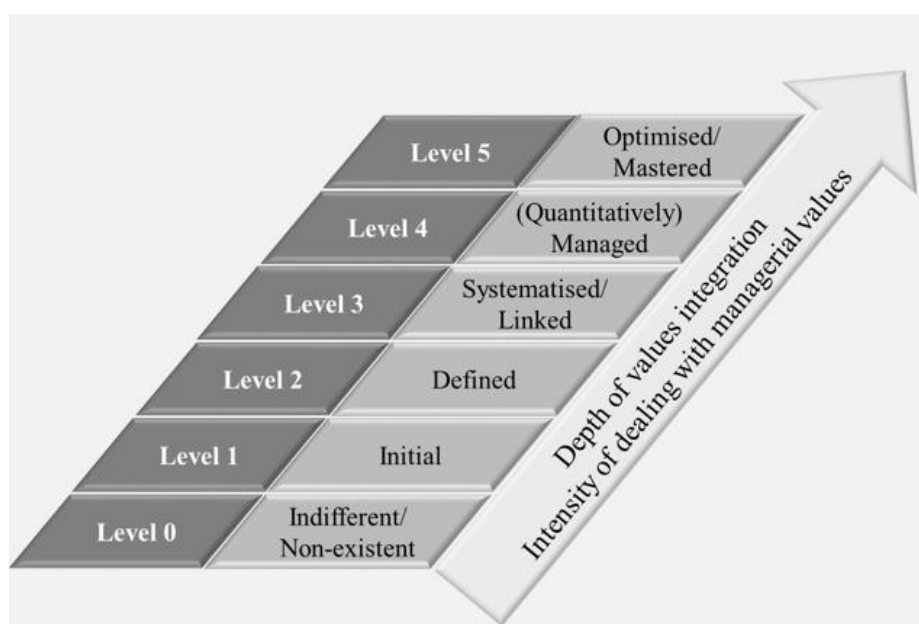
Figures

Figure 1: Research model



The four factors amount of disclosure of managerial values information, industry sector, firm size expressed in FTE, and firm age, were utilised to determine whether or not there is an effect on the maturity level of managerial values. This paper focuses on the amount of disclosure of managerial values information – that is, hypotheses H1 and H2.

Figure 2: Maturity Model of Managerial Values (MM-MV)



Tables

Table 1: Examples of maturity level (ML) criteria and their application in practice

ML	Example of a criterion	Example of application in practice
1	<p><u>Assessment note:</u> In the annual report, the following criteria are used ad hoc and in a scattered manner, occasionally even chaotically and inconsistently, i.e. a systematic or standardised embedment of the values in a framework or formal procedure is not apparent.</p> <p>In relation to their main stakeholders, organisations at the Initial Level typically use the following criteria as ritualistic practices:</p> <ul style="list-style-type: none"> • Putting employees in the centre of action for good results or pointing them out positively. That is, variations such as ‘we owe our success to our employees’, and ‘employees, our most valuable asset’. Instead of the notion of ‘employees’, similar expressions such as ‘our people’, ‘personnel’, ‘staff’ or ‘workforce’ are used synonymously. 	<p>‘It is thanks above all to our employees that Peach Property Group is in a position to look back on a successful year. In 2010, they showed a great deal of commitment to the company which deserves recognition.’ (Peach Property Group, 2011, p. 9).</p>
3	<p><u>Assessment note:</u> values are framed into a system and (inter-) connected.</p> <ul style="list-style-type: none"> • Codes and commitments are developed, defined and established, or adopted from an already existing and recognised framework such as the Swiss Code of Best Practice for Corporate Governance (economiesuisse, 2014); these codes can be named as codes of (corporate) conduct, culture, ethics, behaviour, moral, social responsibility and good governance and rules of (good) conduct. 	<p>‘In this respect, the Code of Conduct of Micronas, including implementing guidelines, helps to ensure that all Micronas employees act in a responsible manner. The Code of Conduct is available under www.micronas.com/Investor, Documents as PDF.’ (Micronas Group, 2012, p. 13).</p>

Table 2: Parameter estimates for Hypothesis H1

The amount of disclosed managerial values information corresponds with ‘# Values’.

Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test			Exp(B)	95% Wald Confidence Interval for Exp(B)		
			Lower	Upper	Wald Chi-Square	df	Sig.		Lower	Upper	
Threshold	ML0	-1.902	.4946	-2.872	-.933	14.797	1	.000	.149	.057	.393
	ML1	.619	.4704	-.303	1.541	1.733	1	.188	1.857	.739	4.670
	ML2	1.416	.4764	.483	2.350	8.837	1	.003	4.122	1.620	10.486
	ML3	4.152	.5788	3.018	5.287	51.470	1	.000	63.592	20.452	197.734
	ML4	5.434	.6735	4.114	6.754	65.106	1	.000	229.148	61.211	857.827
Industry 6	-.966	.5732	-2.090	.157	2.843	1	.092	.380	.124	1.170	
Industry 5	-.992	.5906	-2.150	.166	2.821	1	.093	.371	.117	1.180	
Industry 4	-1.355	.4471	-2.232	-.479	9.188	1	.002	.258	.107	.619	
Industry 3	-.641	.5331	-1.685	.404	1.444	1	.229	.527	.185	1.498	
Industry 2	-.586	.6927	-1.943	.772	.715	1	.398	.557	.143	2.164	
Industry 1	-1.780	.4684	-2.698	-.862	14.437	1	.000	.169	.067	.422	
Industry 0	0 ^a	.	.	.	.	.	.	1	.	.
# Values	1.657	.2052	1.255	2.059	65.192	1	.000	5.243	3.507	7.839	
FTE	.003	.0009	.001	.005	10.640	1	.001	1.003	1.001	1.005	
Age	.008	.0031	.002	.014	6.250	1	.012	1.008	1.002	1.014	

Dependent Variable: Maturity Level (0-5)

Model: (Threshold), Industry Sector (aggregated in 0-6; recoded in Appendix O), Age, FTE, #Values

a. Set to zero because this parameter is redundant.

Table 1: Model fitting information for Hypothesis H1

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	713.124			
Final	571.311	141.813	3	.000

Link function: Logit.

Table 4: Goodness-of-fit for Hypothesis H1

	Chi-Square	df	Sig.
Pearson	833.484	1126	1.000
Deviance	571.311	1126	1.000

Link function: Logit.

Table 5: Pseudo r-square for Hypothesis H1

	R ²
Cox & Snell	.463
Nagelkerke	.484

Link function: Logit.

Table 6: Tests of model effects for Hypothesis H1

Source	Type III		
	Wald Chi-Square	df	Sig.
Industry Sector (0-6)	16.573	6	.011
# Values	6.250	1	.012
FTE	10.640	1	.001
Age	65.192	1	.000

Dependent Variable: Maturity Level (0-5)

Model: (Threshold), Industry Sector (aggregated in 0-6), Age, FTE, #Values

Table 7: Parameter estimates for Hypothesis H2

The amount of disclosed managerial values information corresponds with 'Val above / up to'.

Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test				Exp(B)	95% Wald Confidence Interval for Exp(B)	
			Lower	Upper	Wald Chi-Square	df	Sig.	Lower		Upper	
ML0	-.713	.366	-1.430	.004	3.803	1	.051	.490	.239	1.004	
ML1	2.111	.372	1.381	2.841	32.138	1	.000	8.256	3.979	17.128	
ML2	3.026	.401	2.240	3.813	56.838	1	.000	20.625	9.390	45.300	
ML3	5.444	.500	4.445	6.443	114.153	1	.000	231.373	85.230	628.107	
ML4	6.339	.554	5.253	7.424	131.081	1	.000	565.955	191.220	1675.057	
Industry 2	-1.020	.325	-1.657	-.383	9.855	1	.002	.361	.191	.682	
Industry 1	-.885	.338	-1.547	-.223	6.861	1	.009	.413	.213	.800	
Industry 0	0 ^a	.	.	.	.	.	.	1	.	.
Val above=1	2.748	.309	2.142	3.354	79.023	1	.000	15.610	8.517	28.611	
Val up to=0	0 ^a	.	.	.	.	.	.	1	.	.
FTE above=1	1.263	.275	.723	1.803	21.033	1	.000	3.536	2.061	6.066	
FTE up to=0	0 ^a	.	.	.	.	.	.	1	.	.
Age old=1	1.276	.378	.535	2.018	11.382	1	.001	3.583	1.707	7.521	
Age young=0	0 ^a	.	.	.	.	.	.	1	.	.

Dependent Variable: Maturity Level (0-5)

Model: (Threshold), Industry Sectors (aggregated in 0-2; recoded in Appendix O), Values up to / above average,

FTE up to / above average, Age young / old

a. Set to zero because this parameter is redundant.

Table 8: Model fitting information for Hypothesis H2

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	396.227			
Final	256.366	139.861	5	.000

Link function: Logit.

Table 9: Goodness-of-fit for Hypotheses H 2

	Chi-Square	df	Sig.
Pearson	183.101	80	.000
Deviance	178.715	80	.000

Link function: Logit.

Table 10: Pseudo r-square for Hypothesis H2

	R ²
Cox & Snell	.456
Nagelkerke	.477

Link function: Logit.

Table 11: Tests of model effects for Hypothesis H2

Source	Type III		
	Wald Chi-Square	df	Sig.
Industry Sectors (0-2)	12.012	2	.002
# Values up to / above average	79.023	1	.000
FTE up to / above average	21.033	1	.000
Age young /old	11.382	1	.001

Dependent Variable: Maturity Level (0-5)
 Model: (Threshold), Industry Sectors, Values up to / above average, FTE up to / above average, Age young / old