Value Dissonance at Work*

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Abstract

Does diversity in personal values affect employees' productivity? We combine a large-scale survey with granular administrative data to construct measures of workers' value misalignment with their teammates and their bosses. We show that workers who have different values than their colleagues and than their managers perform worse than those who have similar values. This negative effect is stronger and more robust for value misalignment with bosses and in hard productivity measures. Our findings suggest that reduced voice and psychological freedom are key mechanisms explaining the impact of value misalignment on performance. Finally, our work offers two key implications: organizations can implement training programs to enhance communication as a strategy for managing workplace diversity, and they may benefit from strategically sorting workers across teams to reduce misalignment in personal values.

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1 Introduction

One of the most important empirical patterns in the contemporary business landscape revolves around the disparities in productivity levels observed across organizations (Syverson, 2011). These disparities have captured the attention of researchers and practitioners alike, driving the quest to uncover the reasons behind them. Among the myriad factors contributing to these productivity differentials, one prominently emerges: the influence of organizational culture and values (Weber and Camerer, 2003; Ostroff et al., 2005; Guiso et al., 2015; Chatman and O'Reilly, 2016; Marchetti, 2019; Gibbons et al., 2021; Gartenberg, 2022; Brahm and Poblete, 2022; Gartenberg and Zenger, 2023; Bennedsen et al., 2024). While relevant to explain variation across organizations, it is unclear to what extent organizational culture can contribute to explain the perhaps equally important heterogeneity in productivity within large organizations.

A prevailing view is that alignment between employees and organizational values enhances performance (O'Reilly III et al., 1991; Lauver and Kristof-Brown, 2001; Besley and Ghatak, 2005; Zoutenbier, 2016; Dur and van Lent, 2019). Higher alignment within units, such as teams or divisions, correlates with better performance (Spenkuch et al., 2023). However, employees also bring personal values that may diverge from those of the organization, their managers, or their colleagues (Guadalupe et al., 2020). For instance, an employee in a hierarchical bank may value independence, while her manager prioritizes obedience and her colleagues emphasize creativity.

Furthermore, the relationship between workers and middle managers is crucial for understanding both individual and organizational performance (Lazear et al., 2015; Fenizia, 2022; Hoffman and Tadelis, 2021; Haegele, 2022). Teams are often formed without regard for personal values, leading to misalignments across various organizations and industries. Despite this, empirical evidence on how alignment with colleagues or managers—beyond organizational values—affects performance and through which mechanisms remains limited.

In this study, we partner with a global bank to examine how misalignment in personal values between colleagues or managers influences individual workers' performance. Given that firm performance hinges on the collective productivity of its employees, our work serves

as a critical foundation for understanding the heterogeneity in the productivity observed across firms.

The financial industry provides an interesting test case for our paper because employees' sorting into banks is likely based more on monetary incentives than personal values (Cohn et al., 2014; Rahwan et al., 2019; Gill et al., 2023). This feature makes it unclear whether personal values should affect productivity in this setting. As a consequence, our results can then be interpreted as a lower bound for other industries where selection based on values is more important.

We conduct a large-scale survey among managers and employees of our partner organization to measure their personal values, as well as perceptions of their colleagues' values. To choose which personal values to focus on, we took an empirically-driven approach and selected a core question from the World Value Survey which lists eleven equally good principles (e.g., independence, imagination, unselfishness) that are not necessarily directly related to workplace productivity. This question asks respondents to rank the top five values (out of eleven) they care more about as well as the top three values they perceive as important to their team members. We use participants' responses on their values to calculate the difference in values between the worker and other members of the team. If the difference is with their manager, we call it vertical actual misalignment (VAM), while differences with peers are called horizontal actual misalignment (HAM).

We initially focus on studying the relationship between VAM and HAM on three different performance measures: one objective, one subjective, and turnover. Using a cross-sectional dataset with more than 30,000 employees, we show the main fact of our paper: VAM is significantly and negatively related to performance, especially when measured in objective terms. The magnitude is close to 1 standard deviation decrease in the misalignment with the manager increase financial performance by 1%. We do not find a corresponding effect for managerial performance. The relationship between HAM and performance is also negative, but weaker in terms of statistical significance and not robust across different empirical models. The results about VAM are robust to a series of exercises that control for differences in demographics, observable characteristics of the comparison group (manager or peers) or misalignment with the bank.

To deepen our understanding of the main findings, we conduct two additional analyses. First, we examine whether VAM results are driven by misalignment in performance-relevant values. We assess the correlation between each value and performance measures, identifying those with the strongest predictive power. From this, we create two VAM versions: one for performance-relevant values and one for non-performance-relevant values. Our findings show that misalignment in non-performance-relevant values primarily drives the observed effects. In the second analysis, we compare the magnitude of our results with studies on manager and colleague diversity finding that our estimates are close to other estimates in the diversity literature. We also show that moving from the least to the most misaligned worker reduces performance by approximately 4%, nearly double the effect of having a manager of a different gender.

In the UK, we exploit panel data that enables us to track workers over time, controlling for fixed unobserved heterogeneity. We exploit the fact that due to idiosyncratic project timelines or replacements and hires within the bank, managers switch across teams and therefore provide "quasi-exogenous" variation to the actual misalignment that workers have with their superiors. This strategy substantiates the robustness of the main fact: value misalignment with managers decreases "the more" objective worker's productivity.

We examine four potential mechanisms to explain our findings and identify communication flows (Impink et al., 2024) as the key driver of how value misalignment affects performance in our context. Managerial biases, worker motivation, and other explanations such as unfair task allocation, lack of mentoring, or promotion perceptions are not significantly linked to misalignment. However, we find strong evidence that workers with greater value misalignment are less likely to discuss objective progress, personal development plans, or engage in unstructured meetings (Sandvik et al., 2020a; Harju et al., 2021; Adhvaryu et al., 2021; Cai and Wang, 2022; Adhvaryu et al., 2022). Consistent with this, we observe a strong negative correlation between misalignment and a "speak up" index, which measures psychological safety. Finally, we show that the misalignment affects the communication bottom-top but not the reverse.

We outline two key implications for organizations managing value misalignment and its impact on productivity. First, fostering psychological safety (Alan et al., 2022; Castro et al.,

2022) can mitigate the challenges of diverse perspectives. Leveraging the "quasi-exogenous" sorting of workers across offices, we show that employees located closer to their managers are less likely to speak up, and their productivity suffers most from value misalignment. An auxiliary survey of 250 financial industry workers supports this, with 81% believing that improving communication quality could reduce misalignment costs.

Second, optimizing team allocation to reduce value misalignment offers potential benefits but may involve costs, such as incentives for misreporting values and impacts on creativity and innovation (Hjort, 2014). Our survey further reveals that two-thirds of financial workers feel that personal values were not considered in team assignments, highlighting a gap in current organizational practices.

Related literature. We contribute to three streams of literature.

One stream of literature provides evidence of the value of "intangibles" to explain a firm's performance (Weber and Camerer, 2003; Ostroff et al., 2005; Schein, 2010; Guiso et al., 2015; Chatman and O'Reilly, 2016; Marchetti, 2019; Gartenberg et al., 2019; Ashraf et al., 2020; Alan et al., 2022; Guadalupe et al., 2020; Gibbons et al., 2021; Gartenberg, 2022; Brahm and Poblete, 2022; Gartenberg and Zenger, 2023; Bennedsen et al., 2024). We contribute to this literature by showing that these intangibles not only matter to explain heterogeneity across firms, but also within a single organization. We show that value dissonance can explain worker performance heterogeneity even controlling for other variables the literature has highlighted before.

Important for our work, Guadalupe et al. (2020) show that making individual identity salient can reduce organizational attachment. We complement their work by showing that heterogeneity in employees' value within the workforce can also create conflicts with organizational goals.

Closely related to our work, Ashraf et al. (2020) provide a description of bankers' values and how they relate to societal values across countries. They show that the values among employees at the bottom of the hierarchy are closer to society than those of employees at the top. We complement their work by zooming into the effect of differences in values within granular teams at the workplace, and distinguishing actual from perceived differences.

A second stream of the literature highlights the benefits and challenges of diversity in-

side the firm (Lazear, 1999; Prat, 2002; Alesina and Ferrara, 2005; Hamilton et al., 2012; Apesteguia et al., 2012; Bednar and Gicheva, 2014; Hjort, 2014; Marx et al., 2021; Lowe, 2021; Azmat and Boring, 2020; Cullen and Perez-Truglia, 2023; Bircan et al., 2022). Most of the empirical work in this stream has focused on dimensions of diversity that are easy to observe, such as gender or ethnicity. We focus on less observable dimensions of diversity, and show that even controlling for observable diversity, differences in personal values matter.

Finally, we contribute to the nascent stream of the literature that understands communication patterns within organizations (Battiston et al., 2020; Sandvik et al., 2020b; Espinosa and Stanton, 2022; Castro et al., 2022). We add to this debate an additional potential reason to invest in technologies that improve the environment to better communication within the workplace: it can alleviate problems caused by differences of value across team members.

The rest of the paper is organized as follows. Section 2 provides details about the institutional context, partner organization, and main variables used in the analysis. Section 3.2 uses cross-section and panel data evidence and shows that workers with different values from their managers perform worse than other workers. We show that this result is robust to different exercises. Section 4 discusses the plausibility of mechanisms to explain the main fact. Section 5 discusses organizational implications and Section 6 concludes.

2 Empirical Setting and Data

2.1 Empirical Setting

Banking sector. Banking is a good setting for studying employees' values for different reasons. First, sorting into the industry is usually driven by financial and career incentives, rather than personal values. According to a survey conducted by the CFA Institute in 2023, graduate students around the world are willing to give up the possibility of making a positive social and environmental contribution for the higher salaries and career perspectives offered by jobs in the financial sector.[1] Thus finance is an industry where one would expect that

[1]Respondents report that having a "good salary" is the most important reason for choosing an employer, and indeed consider a job in finance as their most desirable career choice. Even if 91% of respondents state that they care about making a positive social and environmental contribution, finance is ranked by them among the industries with less scope for achieving such contribution. See www.cfainstitute.org

value dissonance to matter less - or not at all - in explaining heterogeneity in performance. As a result, one may interpret our results as a lower bound of the effect that value dissonance can have on performance in other industries in which personal values play a more important role in employees' selection.

Second, since the 2008 financial crisis, the banking corporate culture has been under intense scrutiny. The crisis uncovered a widespread dysfunctional culture in the sector, focused on financial gains even when achieved in an unethical way, encouraging greed and tolerating dishonesty (Cohn et al., 2014; Rahwan et al., 2019). Since then, large investments have been made to measure and change culture. For instance, in 2015 the U.K. banking sector created the Banking Standards Board (BSB), a body meant to measure and promote good practice among banks. In the Netherlands, bank leaders must swear an oath to put the customers' interests first (Zaring, 2017). In the US, Goldman Sachs reacted to a large fine by the Securities and Exchange Commission (SEC) by launching a fundamental review of its practices and culture (The Economist, 2013). The changes that the banking culture has been going through in the last decade make the study of value dissonance even more intriguing. On the one hand, regulators' and boards' attempts to reshape the business culture may reduce the scope for personal values to influence behavior at the workplace. On the other hand, differences in personal values between employees and/or managers may loom larger within a more homogeneous organizational culture, becoming even more important in affecting performance.

Third, the banking industry is often a target of strong societal expectations, and negative stereotypes about bankers are common around the world (Cohn et al., 2014; Rahwan et al., 2019). In a survey conducted with the partner bank in 2016, Ashraf and Bandiera (2017) found that bankers' beliefs about the extent to which society values their work are positively correlated with bankers' performance. This suggests that bankers may be internalizing societal stereotypes while at work. Moreover, instead of trying to know one another, they may also use stereotypes to interpret their colleagues' behavior in the bank. This can give rise to misperceptions about each other, which may exaggerate or mitigate differences in values.

Partner organization. The data used in this paper comes from a partnership with one

of the world's largest banks. The bank has over 200,000 employees and operates in more than 50 countries. In the UK, the bank has over 20,000 employees and more than 500 offices.

While we cannot claim that the partner organization is representative of all banks or firms, we believe that it is very similar to many other universal banks, either in terms of organizational structure or employees incentives.[2] Overall, our setting is very similar to the organizations described in Cullen and Perez-Truglia (2023) and Bircan et al. (2022). The bank comprises more ten business divisions, with the largest being retail banking, commercial banking and IT. Each of them can be branched into country-level divisions with some degree of autonomy, or be operating only at a global level from the headquarters. Performance scorecards are used to align the bank's strategic objectives with incentives at different hierarchical levels, including those of the board and executive directors. High-level scorecards are cascaded to business lines and regions, which then decide how to set specific objectives for their personnel depending on their roles and department.

Employees are classified in 9 different hierarchical levels ("career bands"), which differ in managerial responsibilities as well as pay grade. The top career bands represent around 5% of the total workforce and 40% of employees belong to the two bottom entry levels. As documented in Cullen and Perez-Truglia (2023) and Bircan et al. (2022) - and similarly to many other multinational companies - women represent around 60% of entry level positions, but become a minority in top levels (30% in our context).

Earnings across all career bands have both a fixed and variable component, with increasing level and share of the latter with respect to the former as an employee progresses in the career ladder. Annual performance-based bonuses are relatively large, going from a minimum of 5% of a worker's annual salary at lower levels to 25% or more at higher levels. Variable remuneration levels for an employee are a function of their performance and the budget available for a given division. The assessment of individual performance - i.e. our main outcome - includes two main metrics. The first measure (called "financial rating") captures the extent to which an employee achieved the objectives listed in their scorecard. The scorecard is specific to the functional role that an employee has and its components are

[2]For a discussion of common patterns and challenges in the organizational design of universal banks see (Canals, 1997).

decided at the country-division level to align with the long-term strategy of the bank. A second measure is employees' behavioral rating, which measures the adherence to the bank's values. We further described these metrics in section 2.3.

The partnership was born as a research collaboration to study questions about employees' motivation and organizational culture. Our partner organization was indeed interested in new approaches for understanding employees' values and reshaping their corporate culture.

2.2 Survey Questions on Personal Values

In May 2017, we collected data on employees' personal values and their perceptions of values held by the bank and their colleagues. To follow the standards of the literature and assure comparability with other work, we based our survey questions on the World Value Survey (henceforth WVS). The questions asked are as follows:

1. Here is a list of qualities that children can be encouraged to learn at home. Which do you consider to be especially important? Rank the top 5.

2. Imagine [BANK NAME] had a family. What qualities do you think that [BANK NAME] would consider especially important for its children to learn at home? Select the top 3.

3. Now thinking about your colleagues where you work, what qualities do you think that they would consider especially important for children to learn at home? Select the top 3.

Qualitative interviews with bank employees indicate that they mostly interpreted the phrase "your colleagues where you work" in question 3 as indicating their teammates.

For each of these three questions, respondents had to choose among the following eleven values: Independence, Hard work, Feeling of responsibility, Imagination, Tolerance and respect for other people, Thrift and saving money/things, Determination and perseverance, Religious faith, Unselfishness, Obedience, Self-expression.

We believe that the questions used in this study are a good proxy for individual values. First, as Ashraf et al. (2020) argues, asking about values that are important for hypothetical children may mitigate concerns with social desirability bias (Fisher, 1993). Second, all the values shown to respondents are "good", so there is no clear answer that respondents could select to project a favorable image of themselves. Third, the ranking of values for employees with or without children is very similar, supporting the idea that respondents think about their values in general and not in the specific parenthood status.

Response rate. Our values questions were added to the organization's annual Census sent to all the employees of the bank, which collects information on employees' demographics, as well as their engagement with the bank, beliefs about colleagues, and working conditions. At the end of survey, the section on individual values was randomly displayed to only 40 percent of participants (to limit the average survey duration). As the final Census response rate was around 42 percent, 17% of all the banks' employees replied to our personal values survey. A total of approximately 95,000 employees participated in the Census. The total number of respondents to our values questions is 38,000 across 55 countries. Table A1 compares observable characteristics of respondents to our values questions with the rest of the sample. Notice that this 40% is the probability of receiving the personal values questions conditional to answering the annual survey. This percentage was not stratified by gender, race, age or other variables. As a consequence, we expect to see some statistical differences between personal values survey respondents and annual bank survey respondents. As it happens, our sample tends to over-represent mid-30s, lower-tenure Asian population. However, there are no differences in job characteristics for respondents to our questions compared to the overall survey.

Sample. The main data used in the paper includes 38,827 employees across 55 countries. Table 1 shows descriptive statistics. About 50% of the employees in our sample are women and 45% is Asian. Almost 40% of the employees are between 30 and 39 years old, 25% are younger than 29 and the remaining share is older than 40. Finally, there is a large dispersion on tenure, with 16% having less than a year of experience in the bank and 10% having worked in the bank for more than 20 years. Less than 1% of the sample belongs to

the C-suite (labeled "top global career band" in the table). For the analysis, we limit the sample to teams where we observe the personal values of at least two members, for a total of 28,173 observations.

Stability of individual values. We interpret the reported values as stable in our short sample period (3 years for the panel data), for four different reasons. First, within a country, there is stability across periods. Figure A1a uses three WVS waves and plots the average change in the ranking of a country across two consecutive waves. For instance, the first bar in the figure shows that countries changed less than one position in their reported values between two waves: 2014 and 2010. Second, answers to our questions have been used to study the intergenerational transmission of values, to define different parenting styles, and to explain country-level preferences that slowly change over time. By being correlated with preferences and/or other sticky processes, our metrics are unlikely to be very volatile at the individual level.[3] Third, some literature explicitly looks at the stability of values. For instance, Glaeser et al. (2000) combines experiments and survey data and argues that trustworthiness is a stable value. Bazzi et al. (2020) argue that the values related to individualism are persistent over time. Guiso et al. (2006) argue that personal values such as hard work, obedience, and thrift are quite stable. Fourth, we can show there is stability in values using a different empirical exercise. One can argue that if values are not stable they may change over time as workers spend more time inside the organization. Figure A1b shows the proportion of employees that put a given value in their top 5, for each of the 11 values we asked about by low- and high-tenure employees. These two distributions are very similar. In other words, this figure shows that spending more time inside the organization does not change in a meaningful way which values people (report to) care more about.

[3] Guiso et al. (2003) use them to study the link between religion and preference for thriftiness, as measured in the WVS. In a study on the relationship between trust and regulation, Aghion et al. (2010) use the WVS measures of desired children's values as proxies for family civic education. In a similar vein, Bauer et al. (2014) use these variables to study the role of children's socialization in other-regarding preferences. More recently, Doepke and Zilibotti (2017) and Doepke et al. (2019) use these measures as proxies for different parenting styles (e.g., authoritarian, relaxed) and show that they are correlated with a variety of country-level macroeconomic conditions such as income inequality, the return to education, and redistributive policies.

2.3 Performance and Retention Outcomes

We merged the survey data with personnel records and Human Resources (HR from hereon) data to obtain four dependent variables:

1. *Financial Performance*: This is the supervisors' assessment of an employee's performance relative to the expectations for their role.[4] Such expectations are usually written down in the form of concrete objectives in a scorecard, set on an annual or bi-annual basis between an employee and their managers. For most of our sample, these performance objectives are measured through financial performance indicators (e.g., the profitability and growth of their portfolios). Given that it is based on goal achievement, our financial performance outcome is thus a *relatively* "hard" performance measure. A very important feature of our setting is that the goals listed in scorecards are determined my managers at the division level, and not by the worker's direct line manager.

2. *Behavioral Performance*: This is the supervisors' assessment of whether the employee has "good behaviors" such as integrity, cooperation, and connection with the customers. Relationships with customers are particularly important as two in five employees are in client-facing roles. This measure is not tracked based on concrete objectives and relies on the line manager's opinion. This is thus a "soft" performance measure. Both the behavior and financial performance measures are used to determine annual bonuses, and are given on a scale between 1 (min) and 4 (max).

3. *Exit*: Following the organizational economics literature, turnover is another important measure of performance (Hoffman et al. (2018)). This is also particularly relevant for the bank, which has a high turnover rate (at around 17% yearly). This variable is a dummy that takes the value of 1 if the employee left the bank between 2017 and 2020.

4. *Intent to Stay*: Finally, we include a measure of how long the person would like to keep working for the bank. This variable is taken from the Census survey and it is

[4]There may indeed be some margin for managerial intervention in the setting of goals of workers but in this organization, the goals are set given the role's expectations (which is the same across several individuals) rather than individual-specific's expectations.

measured on a scale from 1 to 4, where 1 means "Less than a year", 2 "From 1 to 2 years", 3 "3 to 4 years" and 4 is "5 years or more".

Table 1 shows descriptive statistics of these variables. There is large dispersion in the financial performance variable, with a mean of 2.7 and a standard deviation of 0.8. Behavioral performance has instead a more compressed distribution, with 3 being the most commonly used score (given to 55% of the sample). About 30% of the sample leave the partner organization within 3 years. Finally, about 65% of the surveyed employees said they would like to stay over 4 years in the bank.

2.4 Measuring Misalignment

Two Types Misalignment. To study the relationship between value misalignment and performance, we need to quantify the distance between a given employee's values and the values of their colleagues and managers.

First, for each employee, we identify a relevant comparison set by identifying their teammates and their direct manager. Figure A2 shows that teams are small, and that the majority of workers belong to teams with fewer than 6 members.[5]

Then, we construct the following four independent variables:

1. *(VAM) Actual Misalignment with the manager*

2. *(HAM) Actual Misalignment with team members*

These variables measure the actual distance between the focal worker and the reported values of others (manager and colleagues). To construct these variables, we use the answers provided by employees to question 1 of the survey.[6] For HAM, we average the (actual)

[5]Our detailed HR data contain a positional and a managerial identifier for every employee. Teams are made by all the positions that share the same line manager. Note that our teams are defined out of survey respondents, so their actual size may differ when taking into account non-respondents. Figure A2 plots the team size distribution in the survey and across the bank overall (including non-respondents). Figure A2 shows there is no clear correlation between the fraction of respondents in the team and misalignment.

[6]We can construct misalignment only for teams where at least two people replied the survey. Reassuringly, we find that misalignment is not correlated with the share of people who participated in the survey within the team.

misalignment that the focal employee has with every other team member excluding the manager.

Quantifying Misalignment. A challenge in constructing indexes of value misalignment in our data is that we only asked respondents for partial rankings, thus we cannot simply compute an Euclidean distance between vectors containing value rankings. We overcome this by using mathematical tools that compute the average distance between top-k lists, defined as rankings where only the top k members of an ordering are observed:

- Kendall τ: it averages the difference in ranking between pairs of values, giving the same weight to highly- or poorly-ranked values;

This is our preferred metric as it puts more weight on differences between ranked versus unranked values rather than differences in the exact position of a value within the top-five range. We find it plausible that the selection of their most important values (those on the top 5) are more stable compared to the specific order within the ranking.

We also use two alternative measures:

- Spearman ρ: it averages the distance in ranking across values between two respondents, fixing the same ranking to an un-ranked value;

- Share of non-common top-5 values: this measure averages across team members the share of values (among their top 5) which is different between colleagues and/or their manager.

In the Appendix, we show that the main results are robust when using Spearman ρ or the previoulsy mentioned share.

Appendix A.1 explains in detail the procedure to calculate the three misalignment measures and their properties.

Table 1 provides descriptive statistics for our misalignment variables, when using Kendall τ. For actual misalignment, each variable goes from 0 to 40. Given that the median is 18, this implies that, on average, employees' ranking differs in almost 50% of value pairs. There is also considerable variation in these measures. For instance, the standard deviation is between a third to half the mean of the variables. Appendix Figure A3 shows the distribution of the VAM and HAM measures.

We have two main datasets. First, a cross-section of 38K employees across 50+ countries.[7] Second, a worker-semester level panel data of 5K UK employees between 2018 and 2020. The first dataset uses the four dependent variables while the panel data only uses the first three variables.

2.5 Selection Based on Values

The analysis in this paper takes team assignment and size distribution as given. However, if there is sorting into teams based on personal values, our estimates may be either over-estimating (in the case of dissortative matching on values) or underestimating (in the case of assortative matching) the effect of misalignment on performance. To provide insights into this team-level selection, this section investigates how workers select into or out of teams based on their value misalignment with managers and colleagues.

We use the Kendall measure and compute what the distribution of our misalignment indexes would look like in the case of random team assignment. In particular, we fix the overall team size distribution and hierarchy in the bank (i.e., managers keep being managers). Then, we randomly allocate workers across managers, and repeat this process 100 times. Panel (a) of Figure A3 presents the distribution from this simulation and compares it with the actual VAM distribution. Panel (b) shows the same comparison for the HAM distribution.

Overall, Figure A3 reveals that both the VAM and HAM empirical distributions are slightly shifted to the than their simulated counterparts, though the differences are minimal.

2.6 Correcting for Multiple Hypotheses Testing

Correcting for multiple hypothesis testing is crucial when evaluating different outcomes to avoid inflating the risk of Type I errors, or false positives. Without such correction, the likelihood of incorrectly identifying a significant effect increases with each additional test performed. This means that findings could appear statistically significant by chance alone, leading to misleading conclusions.

[7] The number of observations in the main tables may differ because we can only construct horizontal misalignment measures for teams with at least two respondents (80% of the sample) and vertical misalignment measures for teams where the manager responded to the survey (around 6000 respondents).

For such corrections, we use the FDR (False Discovery Rate) (Benjamini and Hochberg, 1995) and report in our main tables the sharpened q-values, which give us the expected proportion of rejections that are type I errors. We apply FDR corrections across all the regression models shown within each table, reflecting the fact that each table corresponds to a different and independent set of hypotheses.

3 Main Results

This section shows the main results of the paper. We first provide a brief overview of bankers' values, and then focus our attention to the main object of study of the paper: misalignment in values.

3.1 A Brief Overview of Banker's values

In line with the evidence of Ashraf et al. (2020), Figure A4 shows that responsibility and tolerance are the most commonly reported values while faith and obedience are the least common values.[8] Following Doepke et al. (2019) classification of parenting styles, bankers seem to rank *relaxed* values such as independence and imagination more highly as compared to *intensive* values such as hard work and obedience. This is true even when we compare bankers with the general population from the WVS. Bank employees are significantly less likely to mention faith, thrift, and obedience than the general population, but more likely to mention imagination, self-expression, and determination.[9]

Figure A5 show that the ranking of the most important values does not vary by gender, age. There are also small differences in value ranking by whether the employee belongs to an ethnic minority. The most relevant gap is that minorities would rank religious faith as more important than thrift and obedience, but still within the last three positions. Overall, this evidence suggests that, while there may be sorting based on values into the bank (Ashraf et al. (2020)), this is not differential across demographic groups.

[8]The ranking of these values does not change if we include the whole sample of surveyed respondents instead of the analysis sample.

[9]Please refer to Ashraf et al. (2020) for a more detailed description of bankers' values and how they compare with the values collected by the WVS for society at large.

3.2 Main Fact: Value Misalignment Reduces Performance

Empirical model. To estimate the relationship between misalignment and performance, we run the following estimation:

$$Y_{jm} = \gamma_{misal} * Misal_{jm} + \gamma_{j(D)} + \gamma_{j(C)} + Z_{jm} + X_m + \epsilon_{jm} \quad (1)$$

where Y_{jm} is the performance measure for worker j with manager m, $Misal_{jm}$ is the misalignment measure at the work level with her boss (VAM) and/or with her colleagues excluding the boss (HAM). $\gamma_{j(D)}$ and $\gamma_{j(C)}$ are fixed effects at the division and country levels. Z_{jm} and X_m are worker's and manager's controls: gender, age, tenure, customer-facing role, ethnicity (white, asian or black/mixed), top career band, and assignment number. We control for X_m to exclude that observable characteristics of the manager may correlate with reported values.[10] Finally, we cluster the standard errors at the team level.[11]

Main result. Figure 1 shows the coefficient estimates γ_{misal} for the actual misalignment measures VAM and HAM for the first two dependent variables, financial and behavioral performance on the top panel and for exit and intent to stay in the bottom panel. Dark blue bars show the estimates of the coefficients when only one misaligment measure (VAM or HAM) is included, while lighter blue bars show how the estimates change when we include both misalignment measures at the same time in the regression model. Table 2 shows these estimates in table form. Tables A2 and A3 shows that the results are very similar when using alternative metrics for misalignment (Spearman or the share of uncommon values).

There are two broad patterns that emerge from this exercise. First, misalignment is negatively correlated with performance and positively correlated with actual or intent to exit. Second, when controlling for both misalignment indexes, the correlations tend to be statistically significant for VAM only for the two first dependent variables (financial and behavioral performance), while they are significant for HAM for actual or intent to exit. A

[10] Customer-facing role is a dummy that takes the value of one when the employee primarily deals with customers and zero otherwise. Top Global Career Band is an indicator variable for being in the top three hierarchical levels. Assignment Number is equal to the total number of roles held by the employee in the current role.

[11] Results are robust to alternative clustering at the division by country level.

simple way to put these two patterns together is that misalignment with managers is more relevant in explaining heterogeneity in performance, while misalignment with colleagues has a stronger correlation with exit.

Identification Concerns. The previous paragraphs provided correlational results. We believe that reverse causality is unlikely to explain our results for two reasons. First, our assumptions that personal values are stable over time makes it unlikely that performance would affect them. Second, for reverse causality to affect our estimates, it requires not only performance to affect one's own values, but also to change in them in such a way to modify the misalignment index. For instance, this can happen if a positive gap in performance with the manager causes a gap in misalignment to emerge, with the lower-performers being more misaligned than the higher-performers. Evidence from Column 2 of Table A6 shows that the results are stable when controlling for managers' or peers' performance, suggesting that a gap in performance does not seem the main driver of our results.

A more serious concern is that the results we obtain are due to omitted variable bias. There are two particular concerns. First, a manager (or colleagues) and worker with different values may belong to different ethnic groups, age cohorts, or gender. The estimations would be capturing the effect of belonging to different demographic groups rather than having different values. To tackle this concern, we conduct our main estimations (equation 1) adding controls for differences in demographics within the manager and/or other team members. That is, in addition to controlling for whether or not the focal worker is woman, we also control for whether s/he shares the same gender of the manager or the average gender of her/his colleagues. Table A7 shows that controlling for differences in socio-demographics between the focal worker and the reference group (manager or colleagues) provides similar results as before.

Second, a concern is that our estimations may be capturing misalignment with the bank instead of the misalignment with particular employees, like managers and colleagues. To deal with this concern, Column (4) of Table A6 presents the estimates of VAM and HAM for the performance variables when we control for the misalignment that the focal worker has with the top hierarchical layers of the bank within his/her country. The idea is that the

top managers of the bank - within a certain country - embody the values of the organization in their personnel's eyes. The more distant an employee's values are from the top of the hierarchy, the lower the alignment with the organizational values. The relationship between VAM and financial and behavioral performance measures is robust to the inclusion of this additional control.

Does misalignment matter only for values that have direct performance consequences? We first explore whether misalignment matters only for those values that are mostly related to performance. If values enter an employee's production function, our result may simply reflect the fact that having different values compared to those required for performance mechanically lowers output, leading to a lower evaluation by the manager.

To tackle this explanation, we first need to define what values enter the production function. To do so, we regress performance metrics on whether a person ranked a given value among her top five. Figure A6 shows that only a few values are related to performance in the bank. Responsibility, determination and hard work are positively related to financial performance, while tolerance and determination are positively correlated with behavioral performance.[12] Two of these four values (tolerance and hard work) are also negatively correlated with leaving the company and positively with intent to stay.

We then construct measures of vertical misalignment for each of the eleven values, by creating indicator variables equal to one if the manager's ranking is different to the subordinate's ranking for each value.[13] Figure A7 shows the coefficient estimates for performance on misalignment in each value. Misalignment in independence show the greatest negative relationship with financial and behavioral performance ($p < 0.10$). Despite not being significant at conventional levels, the coefficients on misalignment in unselfishness, obedience, thrift (for financial performance), and in obedience and unselfishness (for behavioral performance) are also sizable in magnitude. The coefficients on the remaining values, even if not significant, tend to be negative, except for hard work (for financial performance) and imagination (for

[12] Ashraf et al. (2020) also show that only a few values significantly correlate with financial performance. In particular, those values that are reported less frequently by bankers than society, such as obedience, faith and thrift, have a negative relationship with financial performance in their analysis.

[13] Results are similar when considering an alternative definition of misalignment value by value, which is whether a employee mentions a given value among her top-5 and the manager does not (or viceversa).

behavioral performance). Although not statistically significant, the misalignment with the values of religious faith and obedience are positively correlated to leaving the company while hard-work, unselfishness and imagination with intent to stay.

This evidence indicates that the values that enter the production function do not necessarily matter the most in the relationship between misalignment and performance. Being misaligned with the boss seems to have an independent effect on performance even in values that do not matter for productivity.

To further corroborate this finding, we split our main measure of vertical actual misalignment into two sub-indexes: one that only includes misalignment in those values that are significantly and directly related to performance (Responsibility, Hard Work, Tolerance and Determination), and one that includes the remaining seven values. Table A5 shows that the relationship between misalignment and performance is only statistically significant for those 7 values that do not seem to enter the production function directly.

The previous findings show that value misalignment costs are not driven by those values that directly matter for productivity, but by those values that are seemingly unrelated to performance.

How big is the effect of misalignment on performance? Our preferred estimation (Column (3) of Table 2) shows that an increase of one unit in the VAM index is associated with a 0.0028 decline in financial performance (whose mean is 2.7 in the overall sample, p=0.08). How big is this relationship? Given that the VAM index has a standard deviation of 6 points, our estimates imply an approximate decline of 0.6% over the mean for a standard deviation increase in misalignment with the manager. Similarly, going from the median to the 90^{th} percentile of vertical misalignment (a change of 9 points in the index) is predicted to decrease performance by 1%. Going from the minimum to the maximum VAM observed in our data is associated with a change in financial performance of 4% (Figure A8). Whether these changes are economically significant ultimately depends on the mapping between HR performance metrics and workers' outcomes, eg. bonus payments or portfolio performance, on which unfortunately we do not have data.

We take two alternative approaches to be able to better quantify the relevance of the

performance effect of value misalignment. First, we compare the size of the relationship between VAM and performance with the effect that other sources of diversity with the manager, such as gender and ethnicity, have. Figure A8 shows that the relationship between a one-standard deviation increase in VAM and performance is equivalent to sizable 40% of the effect of having a manager of a different gender (controlling for this difference in gender). Going from the minimum to the maximum VAM implies a decline in performance which is twice as large as having a manager of a different gender. Not only the relationship between vertical value misalignment and performance cannot be explained by observable dimensions of diversity with the manager, but it has also a comparable magnitude in terms of performance effects.

Second, we conducted a meta-analysis of papers in economics which provide estimates of the relationship between performance and employee-manager or team diversity.[14] Figure 2 shows the comparison between our effect sizes and the ones found in the literature. For comparability across settings and outcomes, we use the Partial Correlation Coefficient (PCC), which is defined as $\frac{t}{(t^2+df)^{1/2}}$, where t is the t-statistic from a regression coefficient and df are the degrees of freedom. There are two important take-aways from Figure 2. First, to the best of our knowledge, no other paper explores diversity in values and its impact on performance, as most of the related work focuses on differences in ethnicity or gender. Second, our effects are within those found in previous work, and very similar to some of the papers reviewed.

No Effect on Manager's Performance. A natural question that emerges from the previous exercise is to what extent the misalignment between managers and workers or between workers has an impact in managerial performance. Table A4 constructs VAM and HAM measures at the team level and shows there is not clear effect on manager's productivity of misalignment with subordinates or among subordinates.

3.3 Accounting for Worker Unobservables

Other important omitted variables in our previous estimations are unobservable characteristics of the focal worker. To deal with this concern, we take advantage of our UK panel data,

[14] Appendix A.2 details the methodology and inclusion criteria.

where we can follow employees for six semesters and study how changes in team composition affect performance through their impact on misalignment.

The main source of variation for this exercise comes from individuals switching across teams. Our partner organization stated there are three main reasons for workers switching from one team to another. First, workers are assigned to teams to work in specific projects. Once these projects finish, they may be assigned to different teams. The allocation of teams to specific projects is taken at the business-division level by the top management, and may be communicated to employees during strategic reviews that happen once or twice per year. Second, employees or managers are replaced by their colleagues while being on leave for an extended period of time (e.g., maternity or sick leave). Third, sometimes the organization needs to replace empty slots that become available when workers leave the bank. These replacements may come from moves within the internal labor market (e.g., when employees apply for a new position). While we do not have information about the reasons for each move in our data, the first two explanations suggest that a substantial part of our switches are due to idiosyncratic project timelines and are unlikely to be related to an employee's misalignment.

To test more carefully the correlation between observable characteristics of the workers and managers and manager switching events, Figure A9 shows that there are low or null correlation levels between observable characteristics and switching events. The panel on the left shows worker characteristics while the panel on the right shows manager characteristics. Each row shows the coefficient of the switch event for three different regressions: dark blue is when there are no other controls, dark grey is when we use other baseline controls such as tenure, age and division controls. Finally, the light blue shows the case when we include all of the variables (of workers for the LHS figure and of managers for the RHS figure).

Empirical model. To understand the effect of changes in misalignment on performance, we run the following estimation:

$$Y_{jt} = \gamma_j + \gamma_t + \beta Misal_{jt} + Z_{jt} + \epsilon_{jt} \tag{2}$$

Y_{jt} is the performance measure for worker j at semester t. We use three dependent

variables: financial and behavioral performance as well as leaving the company. $Misal_{jt}$ is the misalignment measure at the work-semester level. These misalignment measures can be vertical (VAM) or horizontal (HAM). γ_j and γ_t are fixed effects. Finally, we also include time-varying controls Z_{jt}: tenure and age of the focal worker. Standard errors are clustered at the worker level.

Main results. Table 3 shows the results of the previous estimation. Overall, the results discussed in the previous sub-section are confirmed. There is a negative correlation between performance and misalignment, and again misalignment with the boss is more strongly and negatively related to performance than misalignment with colleagues. Moreover, an increase in VAM is significantly and negatively related with financial performance, but not with the soft measure of performance. Table A8 present the estimates obtained when running the panel-data estimations when the misalignment is measured with the Spearman index. The relationship between vertical misalignment and performance is robust to the specific way in which misalignment is constructed.

To dig deeper into these results, we study two interrelated issues that may sharpen the interpretation of these estimations. First, worse managers (colleagues) can be sent to teams with worse misalignment and therefore Table 3 may show the effect of having a worse manager rather than showing the effect of a misaligned manager. To deal with this concern, Table A9 controls by the time-varying managerial and team performance. Results are robust to this exercise. Second, there may be a correlation between those *focal* workers that switch whom have bad performance and at the same time distinctive values. Table A10 shows the results when we focus on non-switching individuals as focal workers for the estimations. Results hold to this additional robustness exercise.

An event study. A recent revolution in the difference-in-difference literature has warned about the potential biases that estimations as the ones we presented before can bring (for an overall review see Roth et al. (2023)). To test the robustness of our results, we include different corrections to our panel-data estimation.

In this exercise, we focus on two types of workers, those for which their manager changed and those for which their manager did not change. Figure 3 shows that the previous results

are robust to corrections following these methodologies. In particular, we see that before the manager changes, the two types of workers had a statistically similar hard productivity measure while after the manager changes, their productivity decreases. Figure A10 shows the results are similar when we run the estimations restricting to workers that have at most one managerial change and workers that do not change their focal team.

However, these event studies do not consider the change in VAM, which is our main mechanism to explain the observed decline in performance. Unfortunately, we do not have enough variation in the data to construct an event study that can separate switches from increases to decreases in VAM. To get better evidence that the change in performance is caused by a change in VAM, we restrict our sample to workers that had a change in manager and whose initial VAM was within the first quartile of the VAM distribution. The intuition is that these workers, by changing their manager, are likely to experience an increase in VAM, which should then lead to a decline in performance. Figure A11a shows evidence consistent with this hypothesis. As a complementary exercise, Figure A11b shows that there is no decline in performance for workers whose initial VAM was in the top quartile of the VAM distribution. Also in this case, even if we are not able to see the new VAM for lack of data, we believe that is very likely that the new manager has a lower VAM, leading to a positive or zero effect on performance.[15]

4 Mechanisms

We have shown that workers whose values differ from those of managers exhibit poorer performance, particularly on our "hard" performance measure. This section offers four potential explanations for the negative relationship between vertical misalignment (VAM) and financial performance. Although discussed separately for clarity, these explanations may be interrelated and mutually reinforcing.

[15] One could expect an increase in performance for the sample of workers with a high baseline VAM. However, it may be the case that a change in manager has a negative effect on performance independently of misalignment. Thus, in net, the increase in performance because of a lower misalignment may not be enough to completely counteract the decline due to the managerial change.

4.1 Managers' biases:

This explanation suggests that managers may rate equally productive workers more negatively if their values differ. To test this, we compare our two performance measures, noting that financial performance is more objective than behavioral performance. If biased evaluations were the key factor, stronger effects should appear on behavioral performance. However, as shown in Tables 2 and 3, significant effects are found for the hard, objective measure. This implies that managers' biased evaluations are not the primary cause of the results.

Managerial biases suggest that VAM costs should be higher in teams with significant alignment heterogeneity—where some employees are highly aligned with the manager, and others are not. The idea is that, if a manager is biased, we would expect him/her to favor those employeees who are very aligned with them and, similarly, penalize those who are very misaligned. The main cost of misalignment should then be concentrated in teams where there are large differences in VAM across subordinates (i.e., where there is room for the manager to be biased). However, Table A11 shows consistent effects across teams independently of different proxies for VAM dispersion within teams, indicating otherwise.

4.2 Workers' motivation:

Workers may lose motivation and exert less effort when their values diverge from their manager's, potentially due to self-fulfilling negative beliefs from a hostile manager (Glover et al., 2017).

To test this, we exploit the granularity of our data and construct a job satisfaction index using variables such as perceived productivity, pride in work, and likelihood of recommending the job. As with other analyses, we control for multiple hypothesis testing.

Table A12 provides mixed evidence. Column (1) shows a significant negative correlation between misalignment and overall job satisfaction, which could reduce worker effort and productivity. This reduced satisfaction may decrease the effort that workers put into the job, which in turn may affect their productivity. In columns (2) to (7), although the coefficients are negative, significance varies across measures.

4.3 Communication Flows:

Stronger evidence emerges in relation to communication flows (Sandvik et al., 2020a; Harju et al., 2021; Adhvaryu et al., 2021; Cai and Wang, 2022; Adhvaryu et al., 2022). Table 4 demonstrates that workers with greater value misalignment with their managers are less likely to discuss objective progress, personal development plans, or participate in unstructured meetings.[16]

The last column of Table 4 shows a negative correlation between value misalignment and a speak up" index, which averages responses on psychological safety. Table A13 further breaks down this index, revealing that workers with misaligned values are less likely to express opinions openly or challenge policies. Key questions in the index include whether workers feel free to report issues, voice opinions, or critize policies.

Finally, Table A14 explores whether these findings reflect overall communication or just bottom-up communication. There is no significant relationship between value misalignment and the type or frequency of manager feedback. The negative coefficients likely stem from reduced communication initiated by workers.

4.4 Other Potential Explanations:

We use the granularity of our data to provide evidence against other potential stories.

One possibility is that misaligned workers receive less mentoring, which could impair their performance. However, Column (1) of Table A15 shows a negative but statistically insignificant correlation between misalignment and mentoring received. Similarly, other factors—such as poor perceptions of promotion opportunities, lack of recognition, or low perceived social impact—do not have sufficient statistical power to explain the negative impact of value misalignment on productivity.

[16]Our partner bank has two types of meetings in which workers meet their managers: structured and unstructured. The former is organized by the manager and tries to measure the progress of tasks. The latter is a mechanism created by the bank that allows workers to solicit meetings with their managers to talk about anything they think is important.

5 Organizational Implications

In this section, we delve into the primary implications for organizations when value misalignment is present and matters for performance. We consider three different strategies. First, as a deterioration workers' voice is one of the main channels through which misalignment affects performance, organizations can try to foster psychological safety in order to reduce the performance costs of diversity in values. Second, organizations can adapt their team assignment rules to maximize value alignment. Finally, organizations can try to manage employees' perceptions about value differences with managers and team members. Cognizant that the benefits and costs of each approach may depend on the particular setting at hand, we discuss each of these strategies to bolster organizational effectiveness in the next paragraphs.

An additional survey in the finance industry. We compare and contrast our implications with what organizations in the finance industry are currently doing to mitigate the costs of value misalignment. To this aim, we conducted an online survey with 250 workers in the finance and insurance industry across OECD countries, recruited on Prolific.[17] The survey asks respondents about their personal values, their views about the productivity consequences of diversity in values, potential policies that can be effective and actual policies that their organizations are adopting. This survey thus provides a snapshot of whether - and how - employers are dealing with diversity in values and its potential costs for organizational performance.

5.1 Fostering Psychological Safety

One way in which organizations may reduce the costs of value diversity is by creating an environment in which differences are recognized and accepted, which in turn should make employees more willing to express their views and concerns with the management. In other words, a workplace in which people feel "psychologically safe" to express their opinion and to state what they care about without the fear of negative consequences. Teams where

[17] Appendix A.2 lists the main survey questions.

employees feel comfortable speaking up may be better equipped to manage value differences, limiting the impact that they have on performance and morale. For instance, organizations can offer workshops, seminars, or training sessions that focus on cultural sensitivity, diversity, and inclusion to make employees more comfortable in interacting with colleagues who have different values (in line with the evidence by Alan et al. (2022) and Castro et al. (2022)).

A convenient feature of our setting is that we have quasi-exogeneous variation in psychological safety to show this channel. Our data enable us to explore the extent to which psychological safety influences the cost of value misalignment empirically. To achieve this, we take a two-step approach. First, we demonstrate that employees' attitudes towards speak-up are more negative when employees work in the same location as their manager. Second, we illustrate that the costs of misalignment are particularly severe precisely in these teams that lack psychological safety.

Co-location between managers and subordinates in the same office space can be deemed as good as random in our context, as it typically occurs without the intentional planning or consideration of factors such as value differences within the team. Anecdotally, co-location might happen due to logistical reasons, office space availability, or historical decisions. Logistical reasons include practical considerations related to the physical layout of the workplace. Office space availability also plays a significant role for the partner bank. If there are only a limited number of offices or workstations available in a particular area, managers and their subordinates might end up being co-located simply because there are no other options. Historical decisions refer to actions taken by the organization that have led to certain teams or individuals being located in specific offices. These decisions might have been made for reasons related to budget constraints or previous management preferences.

In line with this anecdotal evidence, Figure A15 shows that there are no differences in vertical misalignment for employees co-located with their manager or not. Figure A12 illustrates that different characteristics of both workers and managers and co-location are not significantly correlated. There are, however, a few variables that are significantly correlated, such as the age of the worker and the manager, and the assignment number of the worker and the manager. We control for the variables that show some correlation with co-location in the following tables.

Table A19 shows that co-location with the manager has negative and significant relationship with workers' ability to speak up. There may be different reasons why this is the case. First, the physical presence of the manager may create a sense of being monitored, leading workers to feel anxious about speaking up and potentially being judged or evaluated negatively. This will make workers to self-regulate their behavior and speech to conform to perceived expectations or avoid scrutiny. Second, the physical proximity of the manager may reinforce hierarchical dynamics, where subordinates feel less empowered to challenge or question authority, resulting in diminished speaking up behavior. While it is beyond the scope of the paper to empirically distinguish among these stories, they all point to a reduction in psychological safety when employees are co-located with managers in the same office.

To conclude our test, Table 5 indicates that the detrimental impact of VAM on performance is primarily observed when employees operate within close proximity to their managers.We hypothesize that this occurs due to the inhibitory effect managers' physical presence can have on employee willingness to voice concerns. The act of speaking up fosters an environment where both workers and managers can acknowledge and address differences, leading to more effective problem-solving and collaboration.

An important insight learned from this sub-section is that the repercussions of value disparities emerge when team dynamics stifle employee voices. Therefore, implementing policies that promote open communication has the potential to boost workplace efficiency and productivity.

The evidence from our online survey is in line with this implication. 81% of the surveyed workers think that better communication quality reduces the cost brought by misalignment. This means that workers' experiences confirm the key role that communication plays in mitigating potential costs of diversity.

5.2 Team Assignment Policies

To offset the impact of misalignment, another - more costly - solution is adjusting team assignments to pair employees with managers who share their values. According to our

results, this strategy could enhance performance. However, we are aware that there may drawbacks of conditioning team assignment to personal values. First, our paper is not able to fully document the range of possible costs of value homogeneity within a team. These costs may include diminished creativity, ineffective problem-solving, and reduced inclusivity. It can lead to groupthink, where diverse perspectives are lacking, hindering creativity and innovation (Parrotta et al., 2014; Hjort, 2014). Homogeneous teams may also struggle to solve complex problems effectively, as they may approach challenges with similar biases and assumptions. Additionally, homogeneity can result in a lack of representation and inclusivity, potentially leading to issues of fairness within the team.

Second, collecting value measures to be used for team assignment may also turn out to be more expensive than it seems. If people know that their team assignment depends on values, they may misreport what they care about. This means that organizations would need to find an incentive-compatible measurement tool, which may raise the costs involved in this strategy.

Our 250 financial-industry workers' survey results also align with our intuition that taking personal values into consideration for team assignment may be costly for organizations. Out of all our respondents, 2 out of 3 think that organizations do not consider personal values when they plan their team allocation.

5.3 Shaping Employees Perceptions

Differently from demographic diversity, the limited observability of personal values opens room for information frictions to play a role in affecting workplace performance. The idea is simple: employees may not know the values of their manager or peers, and mistakenly perceive to be more distant than they are in reality.

Workers' limited information about their bosses' or peers' values may create incorrect perceptions about one's fit with the workplace values, possibly lowering motivation. Even when actual differences in values are small, the feeling of not belonging within a team may discourage employees, reducing their engagement and effort (Ostroff et al., 2005).

In line with this intuition, Table A17 shows that perceptions of misalignment also matter in explaining employees' performance, both independently and conditional on actual misalignment. Moreover, Column (3) of Table A17 shows that the coefficient magnitude on perceived misalignment is the same, in a statistical sense, to the magnitude of the coefficient on actual misalignment.[18] The organizational implication is that firms may need to find ways to manage perceptions about each others' values, making sure that people are not exaggerating differences with their colleagues or managers.

Programs that encourage employees' exposure to each other (e.g., away days, team volunteering) may be a way of mitigating wrong perception of value differences at the workplace, potentially increasing performance and motivation. To advance in this line of thought, we utilize the answers of survey questions 1 and 3 for each employee. Question 3 prompts respondents to indicate their beliefs regarding their peers' values, while question 1 elicits responses regarding the actual values of their peers. Leveraging this data, we calculate what we term "horizontal value accuracy" for each worker. This metric represents the proportion of their colleagues' values correctly inferred by the respondents in our survey.[19]

Table A20 shows that workers with more "horizontal value accuracy" have better performance, even controlling by actual differences with the manager. This can be due to several channels. First, workers may recognize easily which peers they should ask for help in a particular matter. Second, when team members know each other well, they can communicate more effectively, reducing misunderstandings and streamlining workflows. Third, understanding each other's values enables team members to approach conflicts with empathy and find compromises that satisfy everyone involved. We are not able to distinguish between these different stories.

To sum up, we identify three key implications for organizations dealing with value misalignment and its impact on worker productivity. First, fostering psychological safety can help manage diverse perspectives, particularly in settings where workers and managers share physical proximity, as our research indicates a lower propensity for employees to speak up in such environments. Second, organizations may consider implementing tailored policies

[18] We also find that perceived misalignment is related to lower work satisfaction.

[19] Unfortunately we do not have a similar measure of accuracy about the manager's values.

for team assignments based on value alignment, although this approach may be lead to other inefficiencies due to potential incentives for misreporting values or costs which we are not able to document. Finally, organizations can work to minimize employees' perceptions about value differences among team members, as our findings suggest that better knowledge of peers' values correlates with increased productivity.

6 Final Remarks

In the last decade, companies all over the world have been encouraging their employees to "bring their whole self to work". This concept reflects a shift in workplace culture towards authenticity, where the boundaries between personal and professional lives have blurred, and employees are asked to balance their roles at work and home without compartmentalizing their identities. The rise of remote work and flexible work arrangements, especially during and after the COVID-19 pandemic, further spotlighted the need for organizations to accommodate the whole person, beyond just their professional identity.

In this paper, we provided some of the first evidence that authenticity at the workplace may bring costs, especially if organizations are not well-equipped to manage differences in personal values between employees and their managers. To the best of our knowledge, our results are new for economists, but also for practitioners, at least within the finance industry. In our auxiliary online surveys, we indeed find that 82% workers think that their HR department does not think that value misalignment can affect productivity. This result suggests that there is widespread unawareness about the importance of diversity in personal values.

In the "Bring your whole self to work" debate, our paper underscores the need for a deeper understanding of what diversity at the workplace means and implies, beyond visible traits. Compared with previous evidence on the effect of diversity at the workplace, our work indeed uncovers that differences in a less observable dimension of individual identity - values - matter above and beyond commonly explored demographic differences in gender, ethnicity or age between employees.

Understanding when the costs of diversity in values emerge and their implications for

organizational performance has important implications for employees' motivation and organizational design. Recent evidence shows that organizational interventions that encourage socializing between employees and their managers have the potential to increase performance and reduce turnover. Our paper points to a possible new mechanism behind these results: socialization may increase reciprocal acceptance of different values, reducing the costs of communication that value differences bring.

Many questions are left for future research. For instance, studying how value dissonance impacts other outcomes such as innovation or creativity can allow researchers to understand the net benefits of value misalignment. Tracking values over time is another promising venue for future research, as it can provide insights into how the selection of personnel based on values in the company can lead to changes in organizational culture.

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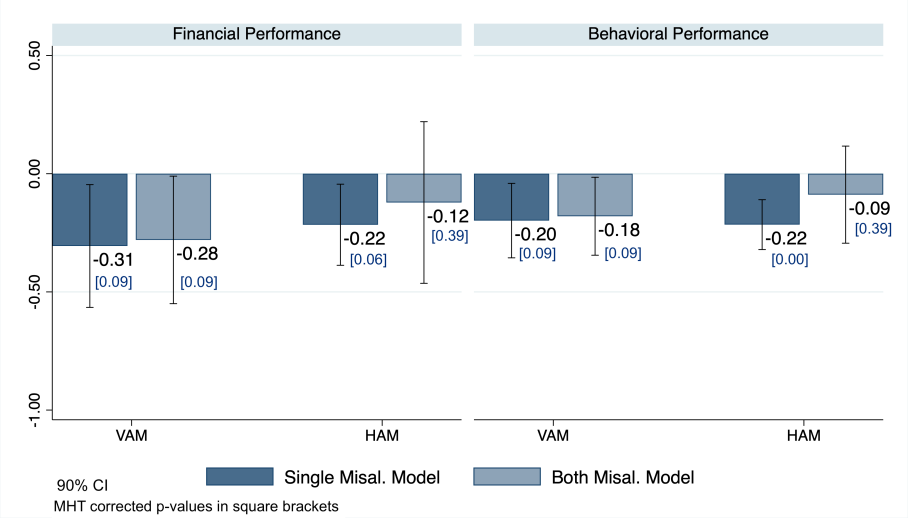
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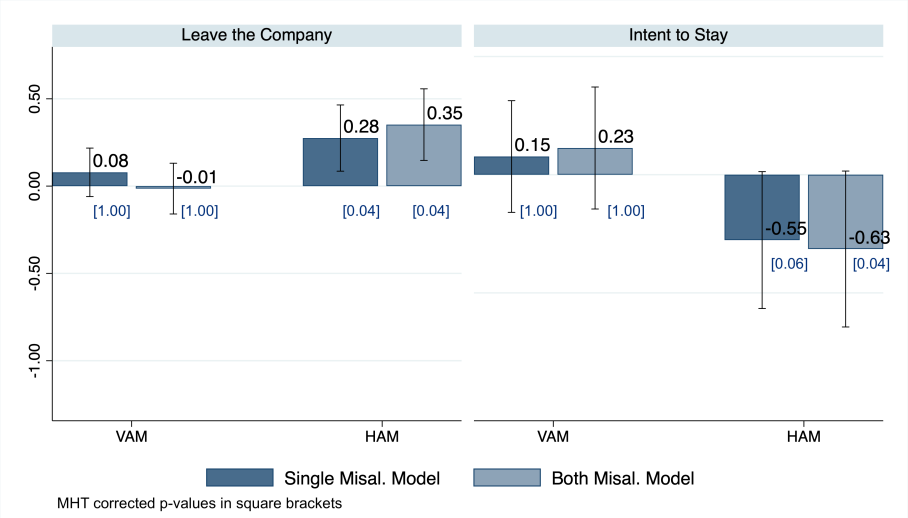
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Figures and Tables

Figures



(a) Misalignment and Performance



(b) Misalignment and Turnover

Figure 1: Main Fact: Misalignment, Performance and Turnover

Note: This figure presents coefficients from 12 regressions of employees' performance and turnover on the actual value misalignment with other team members (excluding their manager) –HAM– and the actual value misalignment with his/her boss –VAM–. The dependent variables in Panel (a) are individual performance measures (Financial and Behavioral), while Panel (b) considers employees' turnover. Dark bars show coefficients from regressions with only one misalignment measure (VAM or HAM), while light bars include both misalignment measures as independent variables. Misalignment measures are constructed using the Kendall τ index, and re-scaled by a factor of 1/100 to facilitate the interpretation. Controls include a worker's as well as their manager's gender, age, tenure, customer-facing role, ethnicity (Asian, White, and Black-Mixed), top global career band, and assignment number. Top Global Career Band is an indicator variable for being in the top three hierarchical levels. Assignment Number is equal to the total number of roles held by the employee in the company. Fixed effects include country and division, and standard errors are clustered at the team level. Square brackets include FDR-adjusted q-values.

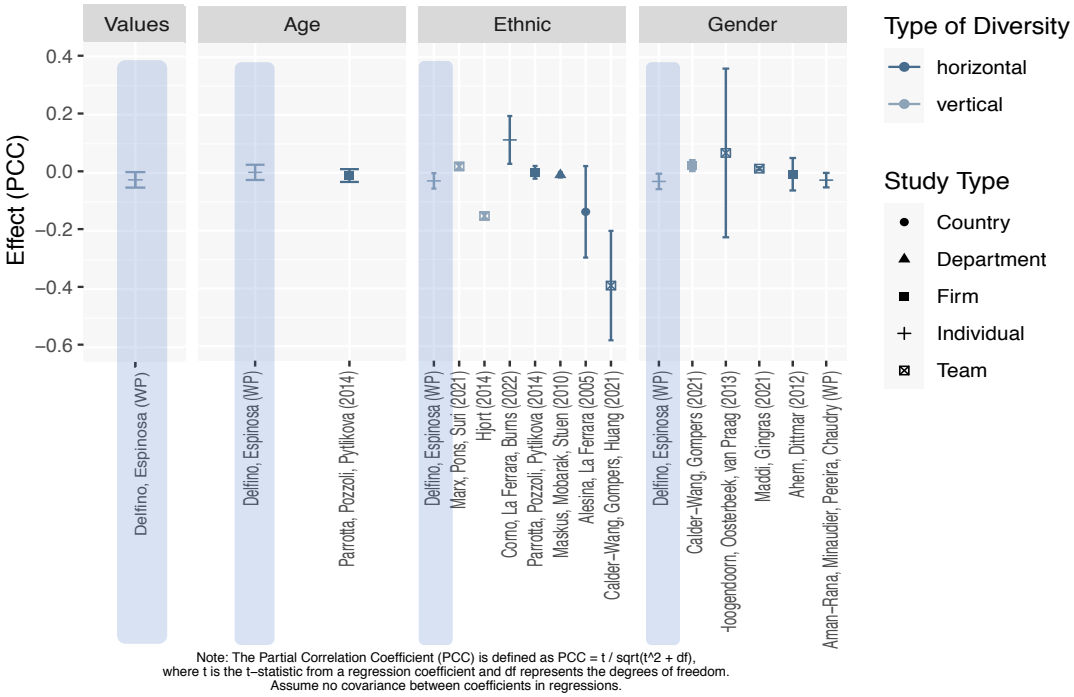


Figure 2: Misalignment Effect Compared to Other Studies: a Meta-Analysis

Note: the Figure shows the results of a meta-analysis on papers about diversity and performance (N=13). The Figure shows the Partial Correlation Coefficient (PCC) across studies. We categorize the effects depending on three dimensions: source of diversity (values, age, ethnicity, gender), type of diversity (vertical with managers or horizontal with peers) and whether performance is computed at the individual or aggregate level (e.g., team, firm).

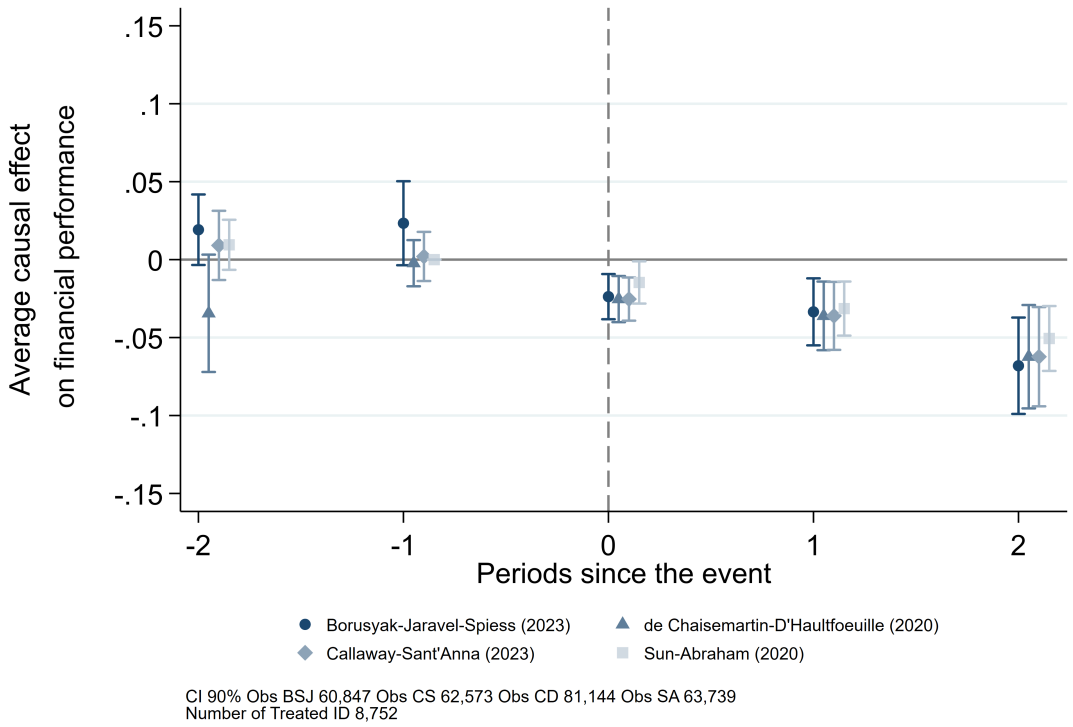


Figure 3: Event Study: Managers switching

Note: Results of the Event Study for Financial Performance. The event corresponds to a switch of managers. In the following methods, the observation number corresponds to the sample size used in the estimation BJS (Borusyak et al. (2023)), CS (Callaway and Sant'Anna (2021)), and SA (Sun and Abraham (2021)), while in CD (de Chaisemartin and D'Haultfœuille (2020)) the reported number corresponds to the number used in the calculation of the average effect. Standard errors are clustered at the worker level, for CD, 100 replications were used the compute the standard errors. For SA, the point estimate for T = -1 is missing.

Tables

Observations: 38,827							
	Mean	SD	p10	p25	p50	p75	p90
Dependent Variables							
Financial Performance	2.699	0.791	2	2	3	3	4
Behavioral Performance	3.075	0.463	3	3	3	3	4
Leaves the Company	0.301	0.458	0	0	0	1	1
Intent to Stay							
<1 Year	0.057	0.232	0	0	0	0	0
1-2 Years	0.136	0.343	0	0	0	0	1
3-4 Years	0.157	0.364	0	0	0	0	1
>4 Years	0.650	0.477	0	0	1	1	1
Independent Variables							
VAM	18.346	6.652	10	13	18	23	27
HAM	18.636	5.499	12	15	18	22	26
HPM	12.554	7.092	7	7	15	15	24
BPM	12.317	7.094	7	7	7	15	24
Controls							
Co-Location Mngr	0.754	0.431	0	1	1	1	1
Speak Up Index	0.000	0.768	-1	-0	0	0	1
Gender (Female)	0.495	0.500	0	0	0	1	1
Asian	0.452	0.498	0	0	0	1	1
White	0.179	0.383	0	0	0	0	1
Black & Mixed Ethnicities	0.370	0.483	0	0	0	1	1
Customer Facing Role	0.389	0.487	0	0	0	1	1
Top Global Career Band	0.008	0.090	0	0	0	0	0
Assignment Number	0.143	0.511	0	0	0	0	1
Age							
<29 Years	0.254	0.435	0	0	0	1	1
30-39 Years	0.388	0.487	0	0	0	1	1
40-49 Years	0.223	0.416	0	0	0	0	1
>50 Years	0.135	0.342	0	0	0	0	1
Tenure							
<1 Year	0.168	0.374	0	0	0	0	1
1-4 Years	0.298	0.457	0	0	0	1	1
5-9 Years	0.215	0.411	0	0	0	0	1
10-20 Years	0.214	0.410	0	0	0	0	1
>20 Years	0.106	0.307	0	0	0	0	1

Table 1: Descriptive Statistics

Note: This table shows the summary statistics of the dependent, independent and control variables used in the estimations. The first two columns present respectively the mean and standard deviations. The last five columns include the value of percentiles 10, 25, 50, 75, and 90 respectively. The sample considers 38827 individuals. VAM is the vertical actual misalignment, HAM is the horizontal actual misalignment, HPM is the horizontal perceived misalignment and BPM is the perceived misalignment with the bank. The "Speak Up" index corresponds to the average of standardized variables capturing the degree of employee's agreement with the following statements about their workplace: "I feel able to speak up when I see a behavior that is considered wrong"; "Issues of right and wrong are discussed in team meetings"; "Everyone has the chance to say what they think"; "People can state their opinion without the fear of negative consequences"; "I feel able to challenge policies and procedures that I think will be bad for customers"; "People feel comfortable suggesting different ways of doing things"; "Constructive criticism is appreciated". "Co-location with the manager" is an indicator equal to one when the employee is located in the same office as his/her manager and zero otherwise.

	Financial Performance			Behavioral Performance			Leave			Intent to Stay		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
VAM	-0.306*		-0.280*	-0.198**		-0.180*	0.080		0.027	0.118		0.227
	(0.158)		(0.164)	(0.096)		(0.100)	(0.079)		(0.081)	(0.265)		(0.278)
	[0.096]		[0.096]	[0.096]		[0.096]	[1.00]		[1.00]	[1.00]		[1.00]
HAM		-0.216**	-0.122		-0.215***	-0.089		0.114**	0.247**		-0.304*	-0.502
		(0.104)	(0.208)		(0.064)	(0.125)		(0.051)	(0.109)		(0.162)	(0.339)
		[0.062]	[0.387]		[0.004]	[0.387]		[0.054]	[0.054]		[0.054]	[0.075]
Observations	5,539	21,090	5,539	5,170	19,810	5,170	7,024	27,519	7,024	3,050	11,510	3,050
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mgr Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.711	2.706	2.711	3.073	3.077	3.073	0.268	0.280	0.268	3.430	3.415	3.430

Clustered standard errors in parentheses
FDR q-vals in square brackets
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 2: Main Fact: Misalignment, Performance and Turnover (Cross-section)

Note: This table presents the estimations of the effect actual value misalignment with other team members (excluding their manager) –HAM–, and the actual value misalignment with his/her boss –VAM– on employee performance and turnover. Dependent variables in Columns (1) to (6) are individual performance measures, while Columns (7) to (12) show estimates on employees' turnover. Misalignment measures are computed using the Kendall τ index and are re-scaled by a factor of 1/100 to facilitate the interpretation. Controls and fixed effects are defined in the note to Figure 1. Standard errors are clustered at the team level, and square brackets include FDR-adjusted q-values.

	Financial Performance			Behavioral Performance			Leave the Company		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
VAM	-1.757**		-1.811**	0.264		0.239	-0.014		-0.013
	(0.794)		(0.795)	(0.524)		(0.524)	(0.017)		(0.017)
	[0.092]		[0.092]	[0.764]		[0.764]	[0.764]		[0.764]
HAM		-0.550**	-0.859		-0.103	-0.496		-0.016	0.024
		(0.254)	(0.755)		(0.162)	(0.439)		(0.019)	(0.061)
		[0.222]	[0.772]		[1.000]	[0.772]		[0.953]	[1.000]
Observations	2,773	12,593	2,773	2,762	12,533	2,762	2,862	13,027	2,862
Tenure Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Worker FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Semester FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.815	2.843	2.815	3.188	3.190	3.188	0.008	0.013	0.008

Clustered standard errors in parentheses

FDR q-values in square brackets

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 3: Main Fact: Misalignment, Performance and Turnover (Panel)

Note: This table presents estimations of employees' performance and turnover on actual value misalignment with other team members (excluding their manager) – HAM –, and actual value misalignment with his/her boss – VAM –. The dependent variables in Columns (1) to (6) are performance measures, while in Columns (7) to (9) consider effects on turnover. Misalignment measures are defined by the Kendall τ index, and they were re-scaled by a factor of 1/100 to facilitate the interpretation. Controls include tenure and sub-division, and fixed effects for worker and semester. Standard errors are clustered at the worker level, and square brackets include FDR-adjusted q-values. The unit of observation is the individual by each semester.

	Discuss progress of objectives	Discuss own development plan	Participated in employee-led meetings	Speak-up index
	(1)	(2)	(3)	(4)
VAM	-0.214**	-0.153*	-0.317***	-0.416***
	(0.087)	(0.093)	(0.099)	(0.145)
	[0.055]	[0.188]	[0.018]	[0.029]
Observations	7,024	7,024	7,024	7,024
Controls	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes
Additional Controls				
Mgr Demo Diff Controls	Yes	Yes	Yes	Yes
Top VAM Control	Yes	Yes	Yes	Yes
DV Mean	0.660	0.416	0.496	0.033

Clustered standard errors in parentheses; FDR q-values in square brackets
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 4: Main Mechanism: VAM hinders Workers' Voice

Note: This table presents the estimations between bottom-top communication quality and the vertical value misalignment. All the misalignment measures are defined by the Kendall τ index. The individual vertical actual misalignment (VAM) is the actual value misalignment with his/her manager. All the misalignment measures are re-scaled by a factor of 1/100 to facilitate the interpretation. In addition to our main controls and fixed effects (see Figure 1), two additional sets of controls are included: the first are demographic differences between the focal employee and the manager (in gender, ethnicity and age), and the second is the employee's value misalignment with the bank's management. Square brackets include FDR-adjusted q-values. Standard errors are clustered at the team level.

	Financial Performance			Behavioral Performance			Leave the Company		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
VAM	-0.394**	-0.064	0.465	-0.195*	-0.244	0.319	0.100	-0.019	0.446
	(0.184)	(0.365)	(0.657)	(0.108)	(0.243)	(0.393)	(0.092)	(0.176)	(0.359)
Same Office	Yes	No	No	Yes	No	No	Yes	No	No
Same Country	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No
Observations	4114	1122	279	3846	1037	263	5212	1432	359
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.692	2.756	2.810	3.055	3.124	3.125	0.260	0.298	0.262

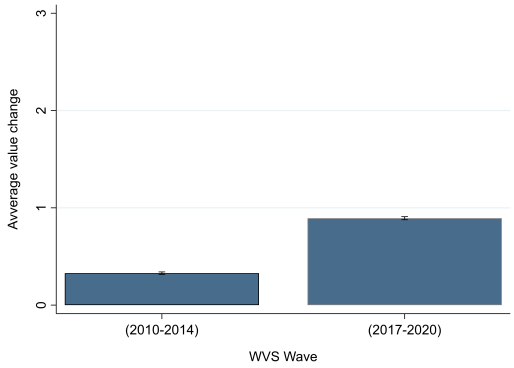
Clustered standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table 5: Quasi-exogeneous Variation in Voice: Co-Location with Manager and VAM

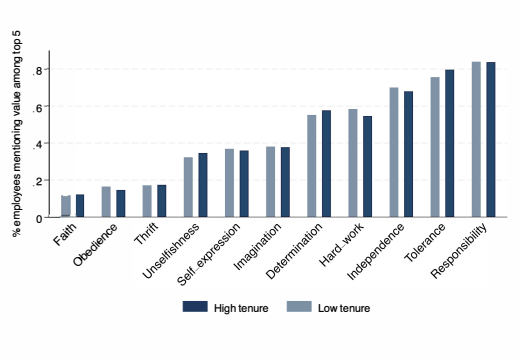
Note: This table displays estimations of employee performance and turnover on actual vertical value misalignment for various levels of proximity between the focal worker and the manager. The first level pertains to instances where employees and managers share the same office (Columns (1), (4) and (7)). The subsequent level involves scenarios where they do not share the same office, but are located in the same country (Columns (2), (5) and (8)). The final case involves situations where the focal employee and her manager are located in different countries (Columns (3), (6) and (9)). All the misalignment measures are calculated using the Kendall τ index, and re-scaled by a factor of 1/100 to facilitate the interpretation. The individual vertical actual misalignment (VAM) is the actual value misalignment with his/her manager. Controls are the same as defined in Figure 1, which also include observable correlates of co-location with the manager (shown in Figure A12). Standard errors are clustered at the team level.

A Online Appendix

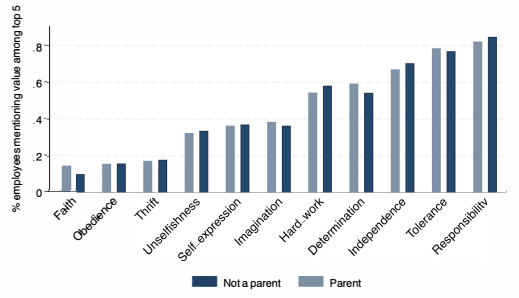
Figures



(a) Changes in Value Ranking Across WVS Waves



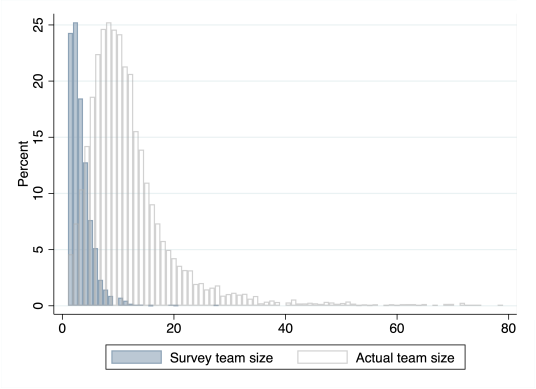
(b) Bankers' Values by Tenure



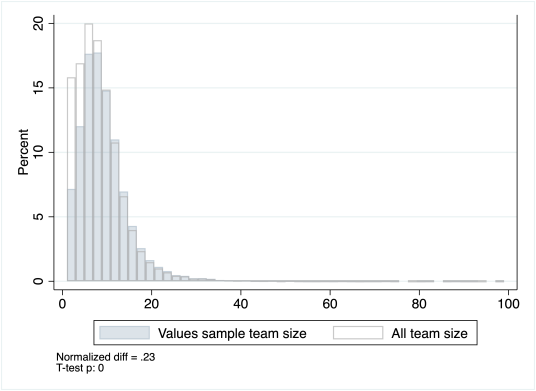
(c) Bankers' Values by Parenthood

Figure A1: Stability of Values over Time

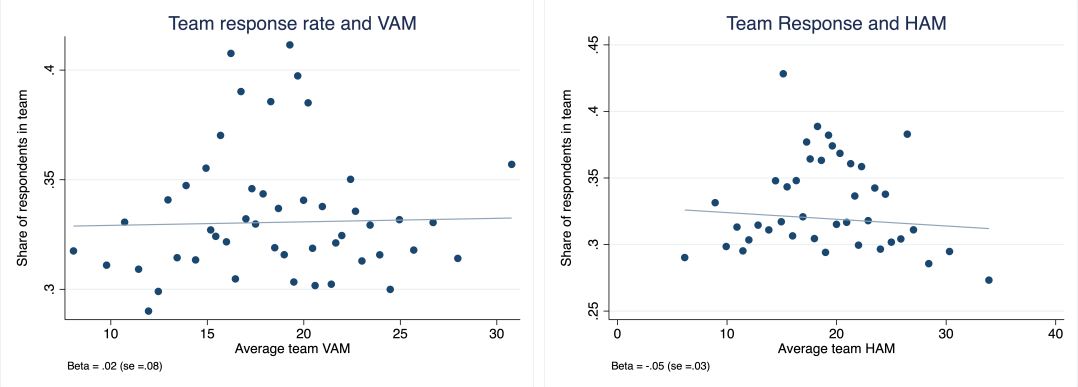
Note: This figure presents different exercises to show that values are stable over time in our setting. Figure (a) uses the 5th (2005-2009), 6th (2010-2014), and 7th (2017-2020) waves of the World Value Survey. We take the top-5 value ranking of a country for each wave and estimate the weighted average of the number of values changing from one ranking to the next. A score of 5 means that all the values in the ranking changed, while a 0 score implies that all of them remained in the ranking. We consider countries that we have in our survey data, and weight the change in ranking by the number of employees in our sample working in that country. We get similar results with unweighted averages. Figure (b) shows the proportion of employees mentioning each value among their top five. Dark blue bars consider only employees with high tenure (10 years or more) and light blue bars consider employees with low tenure (1 year or less). Figure (c) shows the proportion of employees mentioning each value among their top five by parenthood status.



(a) Survey teams vs all teams



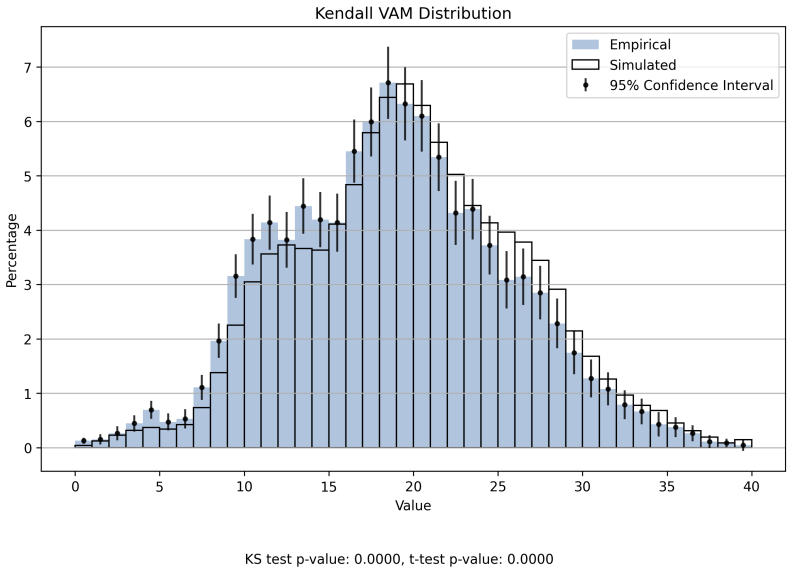
(b) Survey teams: actual vs respondents' size



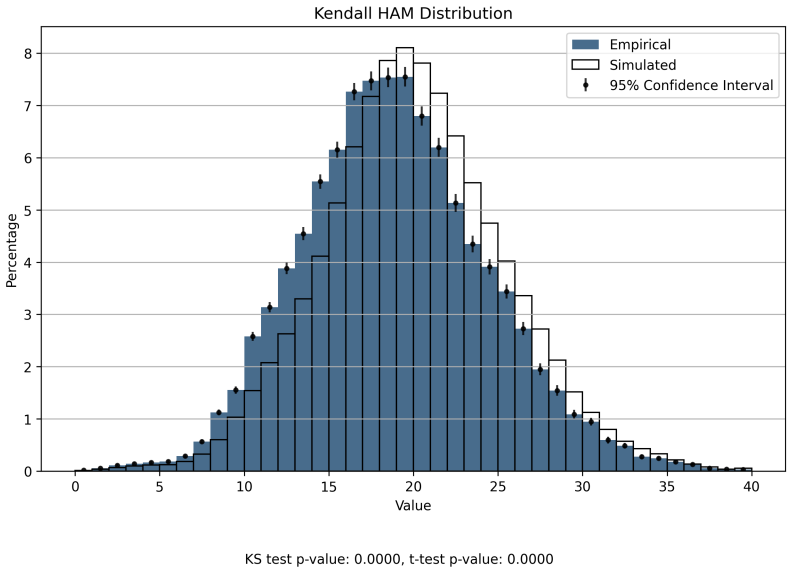
(c) Team response rate and VAM

Figure A2: Team Size and Response Rate

Note: Figure (a) presents the team size distribution in our sample of survey respondents (light blue bars) and compares it with the actual distribution of teams across the bank (grey empty bars). As can be seen in Figure (a), we observe approximately 20% of team members. Figure (b) considers only teams which have at least one survey respondent, and compares their actual size (grey empty bars) with the size only considering survey respondents (light blue bars). Figure (c) shows that there is no correlation between HAM or VAM measures and team response rates.



(a) Vertical Misalignment



(b) Horizontal Misalignment

Figure A3: Empirical and Simulated Distribution of Misalignment

Note: Figure (a) compares the empirical distribution of vertical actual misalignment (in light blue bars) with a simulated distribution of the same measure (in grey empty bars). Figure (b) compares the empirical distribution of horizontal actual misalignment (in dark blue bars) with a simulated distribution of the same measure (in grey empty bars). The simulation performs a 100 random team assignments, keeping fixed the distribution of team size and managerial hierarchy.

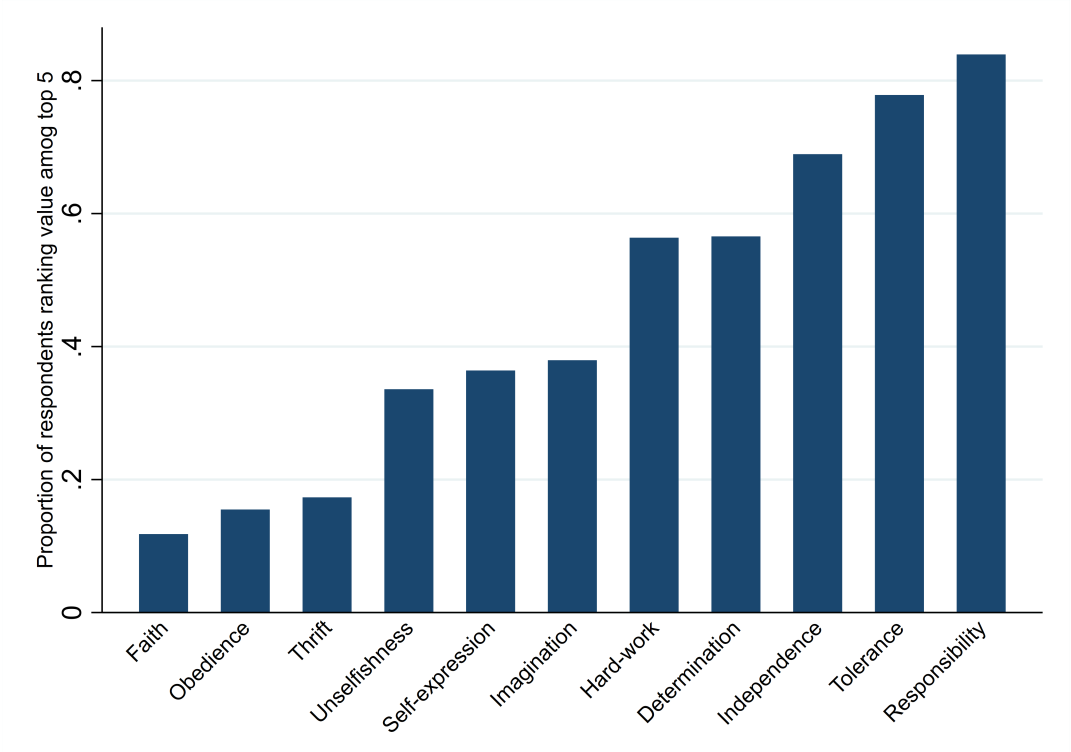
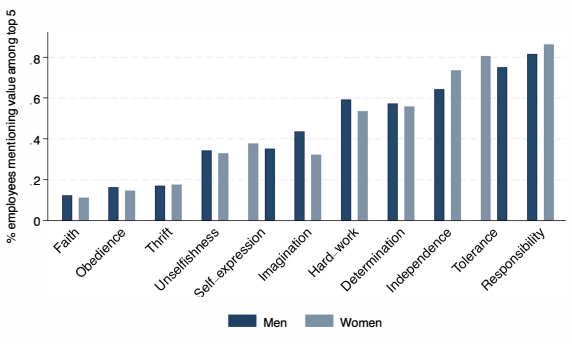
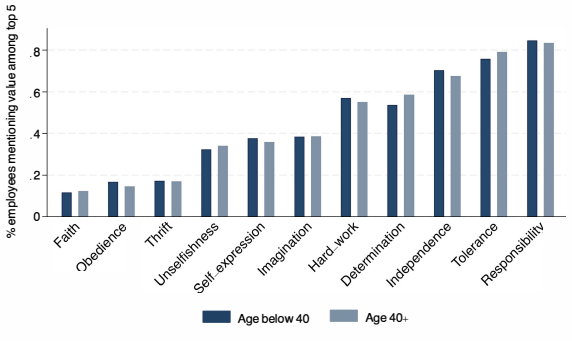


Figure A4: Most Common Values for our Survey Respondents

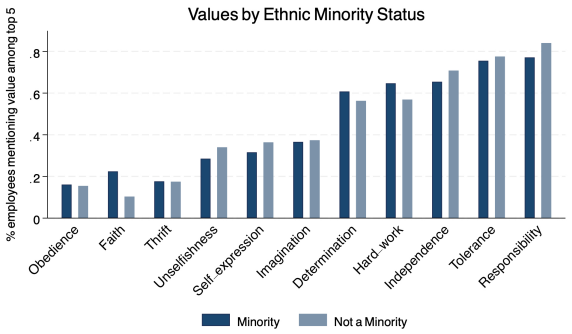
Note: This figure shows the popularity of each value among all survey respondents, by calculating the proportion of employees who have mentioned that value in their raking among their top-5 values.



(a) Bankers' Values by Gender



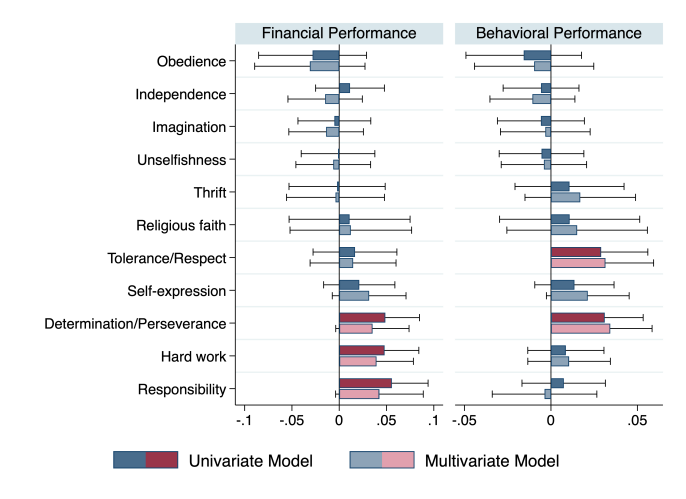
(b) Bankers' Values by Age



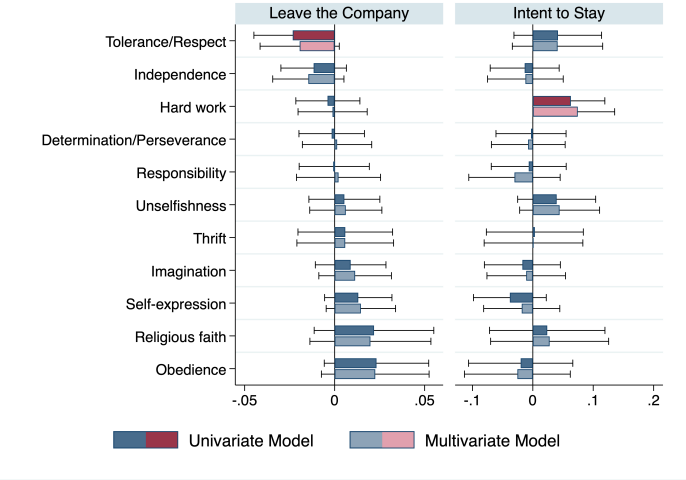
(c) Bankers' Values by Minority Group

Figure A5: Value Ranking by Demographics

Note: Figures (a), (b) and (c) show the distribution of the most important values by employees' gender, age and whether the employee belongs to a minority group, respectively.



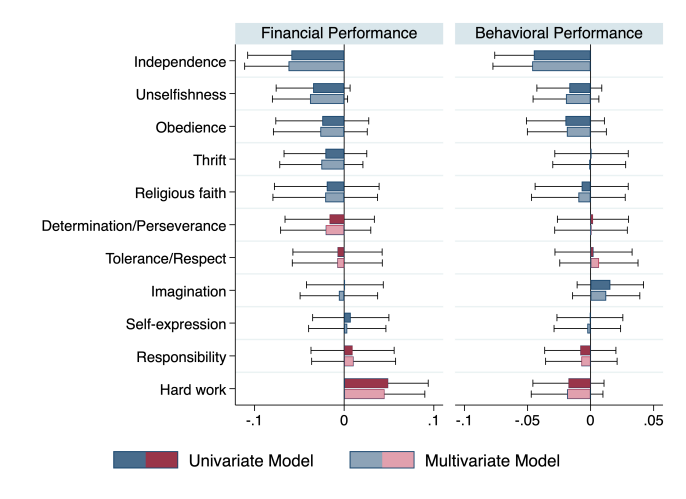
(a) Values and Performance



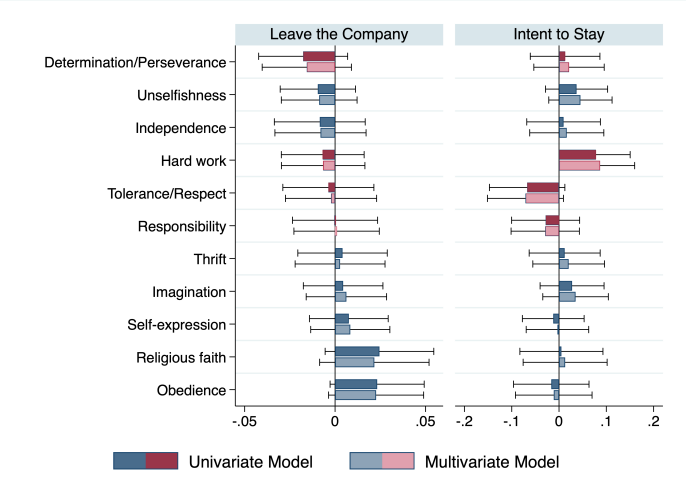
(b) Values and Turnover

Figure A6: Relationship between Mentioning a Given Personal Value, Performance and Turnover

Note: This Figure shows the coefficients of employees' performance and turnover regressed on personal values that are declared as important by the employee. The blue or red dark bar shows the coefficient on a dummy variable equal to one when the given value is mentioned as important by the employee (among the top 5), without controlling for any other value. The light blue or red bars show the same coefficients, but when controlling for the full set of eleven dummy variables (one for each personal values). Controls and fixed effects are as defined in Figure 1. Red bars show those values that are statistically significantly related to performance or turnover.



(a) Value-by-value VAM and Performance



(b) Value-by-value VAM and Turnover

Figure A7: Impact of Misalignment in Each Personal Value on Performance and Turnover

Note: This Figure presents the coefficients of the estimations of vertical value misalignment in each value with performance and turnover. The misalignment measures are computed for each of the 11 values, and they are indicators equal to one if the focal employee and her manager rank differently the given value. The dark blue or red bars are the coefficients for the estimations including only that value VAM, while the light blue or red bars are the coefficients from estimations that control for the full set of eleven indicators. Confidence intervals are at the 95% level. Red bars show those values that are statistically significantly related to performance or turnover. All the misalignment measures were re-scaled by a factor of 1/100 to facilitate the interpretation. Controls and fixed effects are as defined in Figure 1.

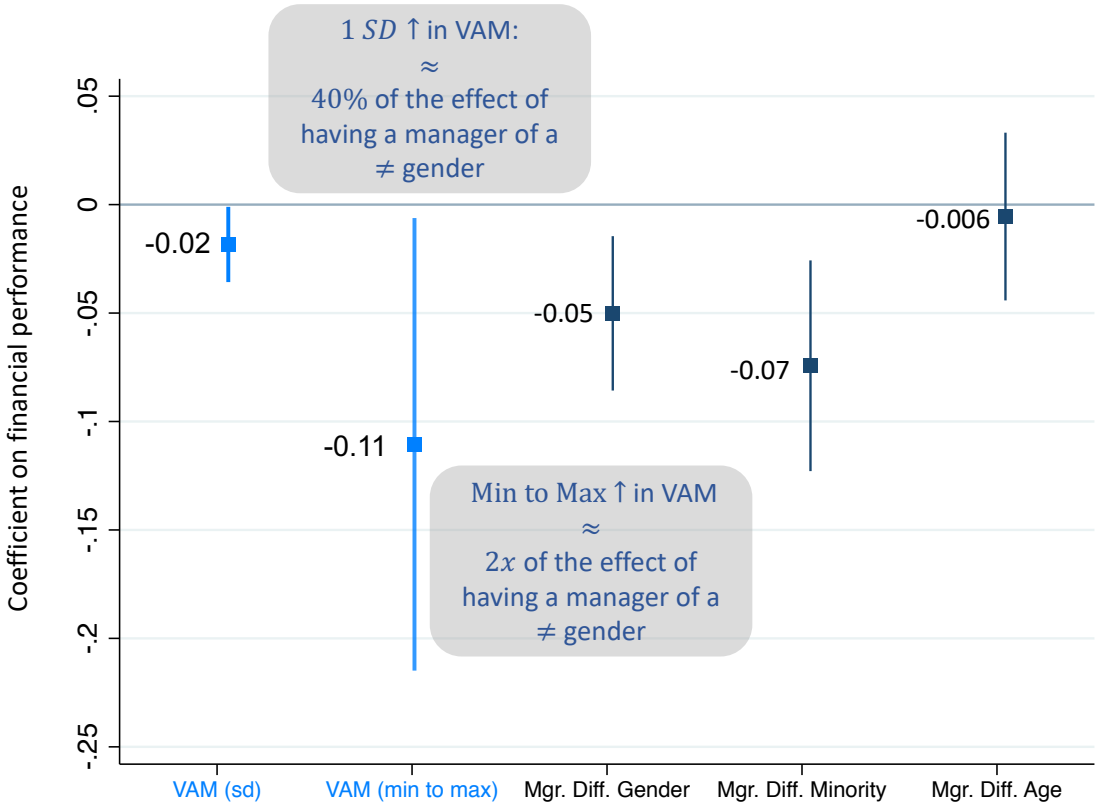
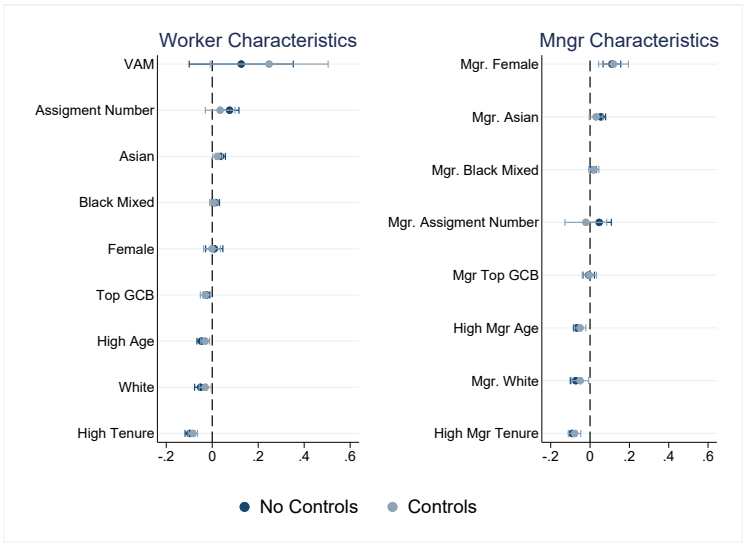
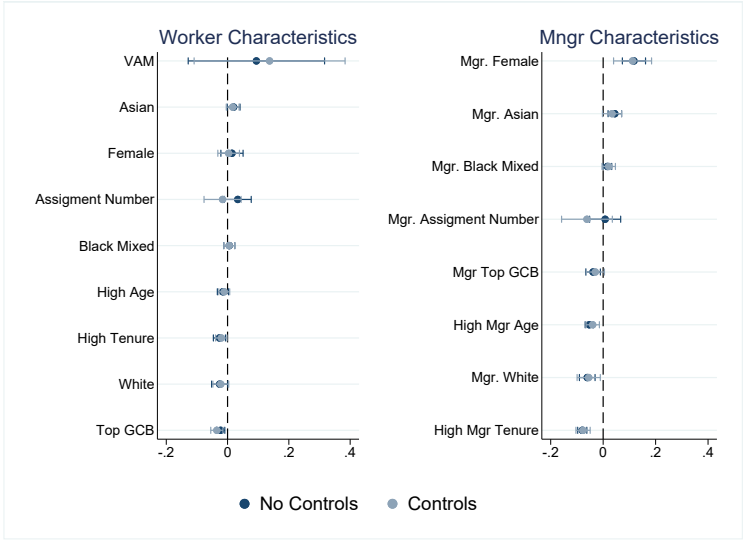


Figure A8: Misalignment Effect Size: Comparison with Other Diversity Sources

Note: The Figure compares the coefficients from regressions of financial performance on VAM (standardized to be mean zero and unitary standard deviation) or VAM (normalized to be between 0 and 1, where 0 is the minimum and 1 the maximum). The last three coefficients show the relationship with financial performance of having a manager of a different gender, being from a minority group when the manager is not (or viceversa) and being from a different generation than the manager. The last three coefficients are estimated in a regression which also controls for VAM. Controls and fixed effects are defined in the note to Figure 1.



(a) Workers' and managers' switches



(b) Managers' switches

Figure A9: Correlation between Workers' and Managers' Characteristics and Switches

Note: Each row in the figure displays the results of three regressions, where the row variable is the dependent variable and a certain type of switch (any or by manager) is the independent variable. The deep blue dots do not include controls, the blue dots include tenure, age and division controls, the light blue includes all the other variables as controls. The three models include semester fixed effects. The non-binary variables VAM, Assignment number and Mgr Assignment number are standardised, while all the other variables are dummy variables. 95% confidence intervals are shown. Standard errors are clustered at the worker level, and the unit of observations corresponds to the worker-semester. The number of observations varies between rows depending on data availability.

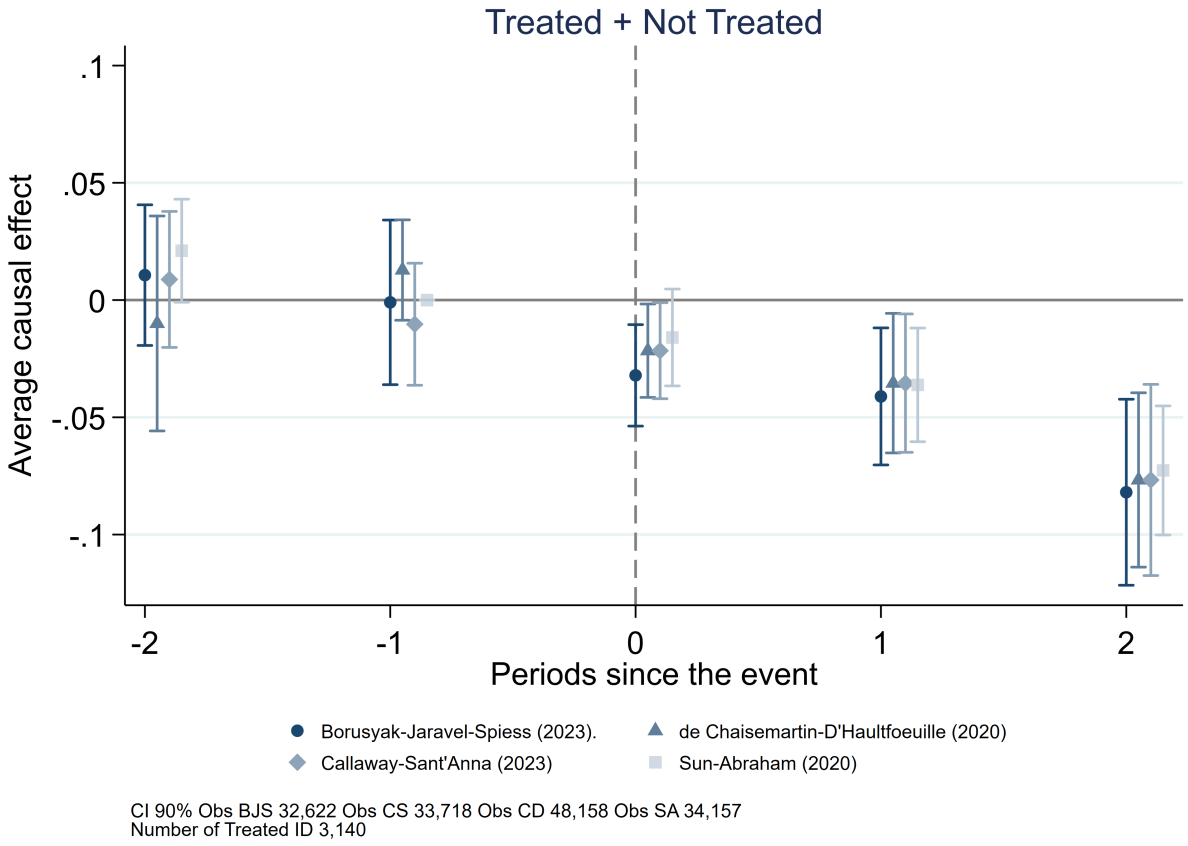
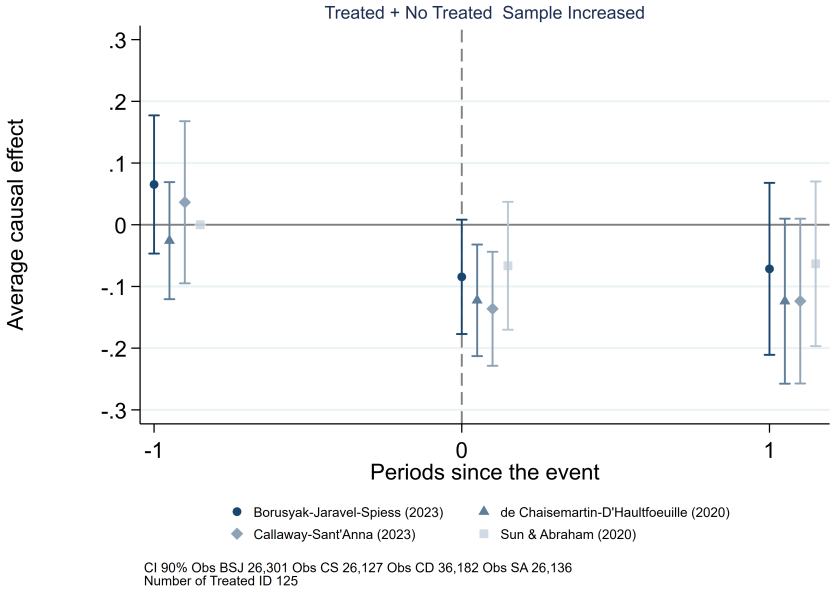
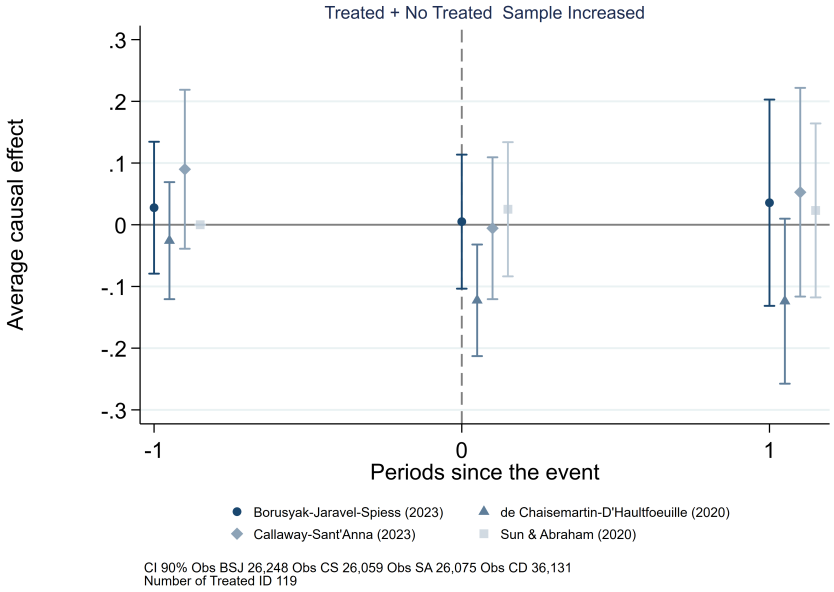


Figure A10: Event Study: Sample Restricted

Note: Results of the Event Study for Financial Performance. The event corresponds to a switch of managers. We only consider workers with at most one manager switch and those workers who did not change teams. In the following methods, the observation number corresponds to the sample size used in the estimation BJS (Borusyak et al. (2023)), CS (Callaway and Sant'Anna (2021)), and SA (Sun and Abraham (2021)), while in CD (de Chaisemartin and D'Haultfœuille (2020)) the reported number corresponds to the number used in the calculation of the average effect. Standard errors are clustered at the worker level, in CD 100 replications were used the compute the standard errors. In the SA the point estimate for T = -1 is missing and this method requires a normalization to get the results. Stata commands used are as follows: for Borusyak et al. (2023) did imputation, for Callaway and Sant'Anna (2021) csdid, for de Chaisemartin and D'Haultfœuille (2020) did multiplegt and finally for Sun and Abraham (2021) eventstudyinteract.



(a) Initial low VAM



(b) Initial high VAM

Note: Results of the Event Study for Financial Performance in the Case of Low or High VAM before the switch. In figure (a), treated employees are those who had a VAM before the switch equal to or lower than the 25th percentile, so employees with a higher VAM than the given percentile were dropped for the estimation. In figure (b), treated employees are those who had a VAM before the switch equal to or higher than the 75th percentile, so employees with a lower VAM than the given percentile were dropped for the estimation. To maximize the statistical power of the estimations, we consider workers with any manager switches and those workers who did or did not change teams. In the following methods, the observation number corresponds to the sample size used in the estimation BJS (Borusyak et al. (2023)), CS (Callaway and Sant'Anna (2021)), and SA (Sun and Abraham (2021)), while in CD (de Chaisemartin and D'Haultfœuille (2020)) the reported number corresponds to the number used in the calculation of the average effect. Standard errors are clustered at the worker level, in CD 100 replications were used the compute the standard errors. In SA the point estimate for T = -1 is missing and this method requires a normalization to get the results. Stata commands used are as follows: for Borusyak et al. (2023) did imputation, for Callaway and Sant'Anna (2021) csdid, for de Chaisemartin and D'Haultfœuille (2020) did multiplegt and finally for Sun and Abraham (2021) eventstudyinteract.

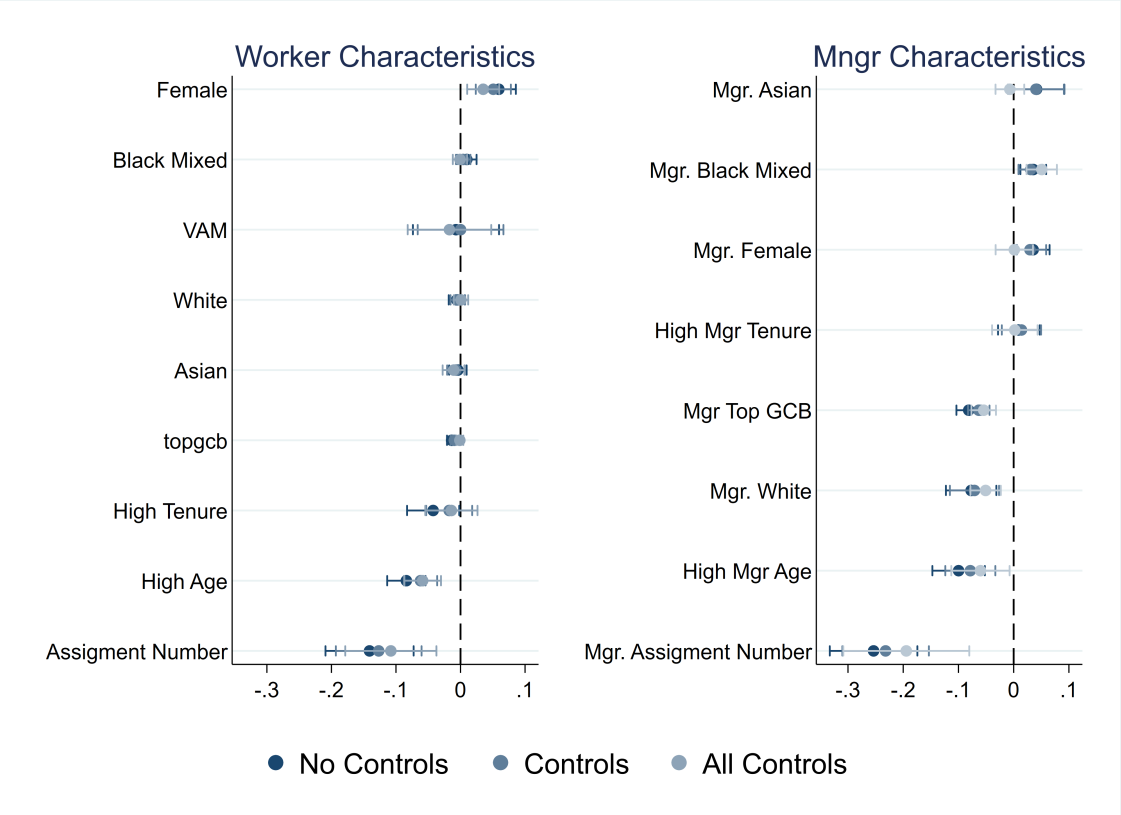


Figure A12: Correlation between Co-location and Employees' Characteristics

Note: Each row in the figure displays the results of three regressions, where the row variable is the dependent variable and Colocation with the manager is the independent variable. The deep blue dots do not include controls, the blue dots include tenure, age and division controls, the light blue include all the other variables as controls. The three models include country-division fixed effects. The non-binary variables VAM, Assigment number and Mgr Assigment number were standardised, the other variables are dummy variables. The lines correspond to the 95% confidence interval. Standard errors are clustered at country-division level. The unit of observation is the worker.

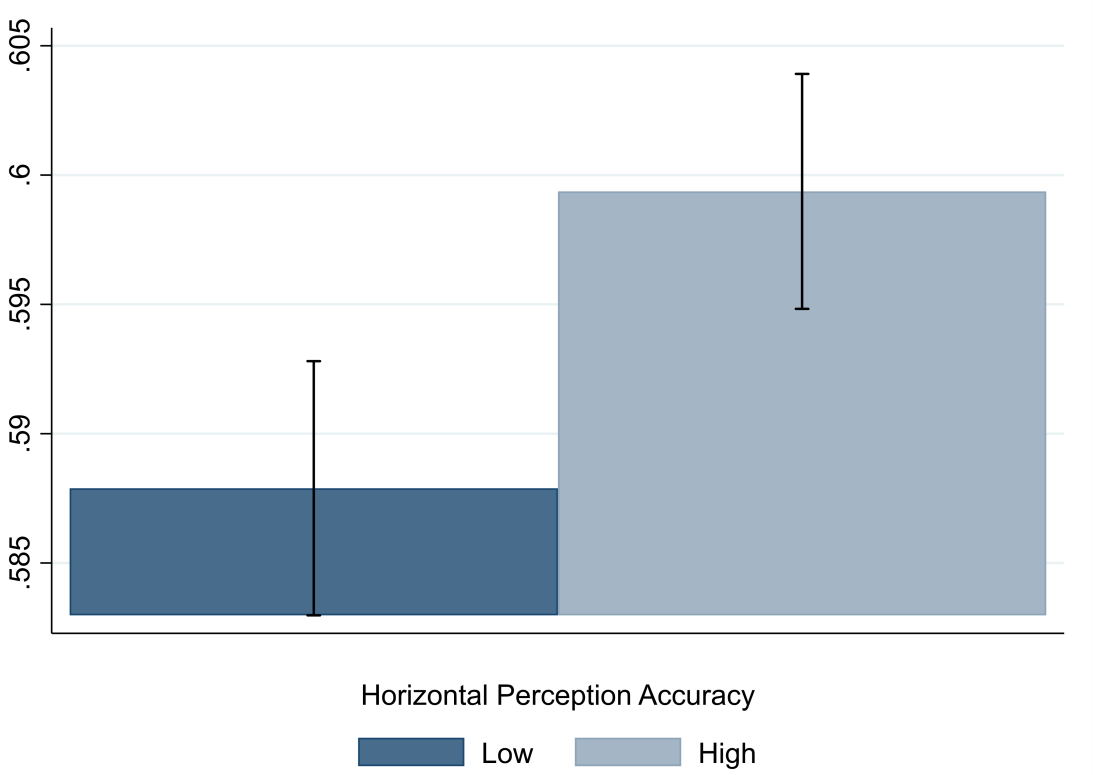


Figure A13: Personal Values Accuracy with others in the Team

Note: This figure presents the average accuracy of the employees reporting their perceived values of their peers for a given level 100% accuracy means that, on average, all the three perceived values reported by each employee with high/low levels of communication are present in the top 3 values of his/her team. The top 3 values of the team correspond to the three most common values mentioned by the members of his/her team, excluding him/her and his/her boss. If two or more values entering in the last positions of the team ranking were mentioned the same number of times, we chose the one reported as perceived value if possible. High (Low) Communication is a dummy taking 1 if the employee has a communication index above (below) the median and 0 otherwise. The communication index corresponds to the average of standardized variables capturing the degree of employee's agreement with the affirmation that in his/her work place: feels able to speak up when he/she sees a behavior which considers to be wrong; issues of right and wrong are discussed in team meetings; everyone has the chance to say what they think; people can state their opinion; feels able to challenge policies and procedures that he/she thinks will be bad for customers; people feel comfortable suggesting different ways of doing things; and constructive criticism is appreciated. Additionally, the communication index considers variables measuring the frequency of meetings with the team and the manager. The green line corresponds the standard error.

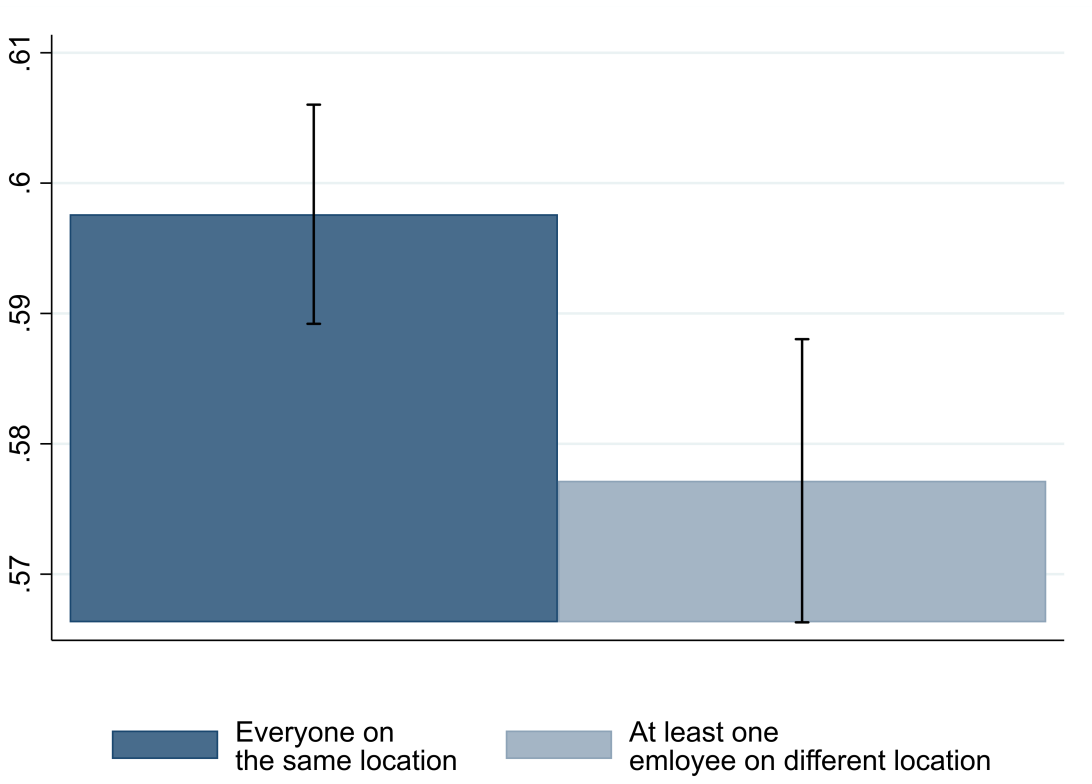


Figure A14: Personal Values Accuracy and Co-Location with others in the Team

Note: This figure presents the average accuracy of the employees reporting their perceived values of their peers for teams where everyone it's in the same location and at least one employee it's in another location. The top 3 values of the team correspond to the three most common values mentioned by the members of his/her team, excluding him/her and his/her boss. If two or more values entering in the last positions of the team ranking were mentioned the same number of times, we chose the one reported as perceived value if possible. High (Low) Communication is a dummy taking 1 if the employee has a communication index above (below) the median and 0 otherwise. The communication index corresponds to the average of standardized variables capturing the degree of employee's agreement with the affirmation that in his/her work place: feels able to speak up when he/she sees a behavior which considers to be wrong; issues of right and wrong are discussed in team meetings; everyone has the chance to say what they think; people can state their opinion; feels able to challenge policies and procedures that he/she thinks will be bad for customers; people feel comfortable suggesting different ways of doing things; and constructive criticism is appreciated. Additionally, the communication index considers variables measuring the frequency of meetings with the team and the manager. The green line corresponds the standard error.

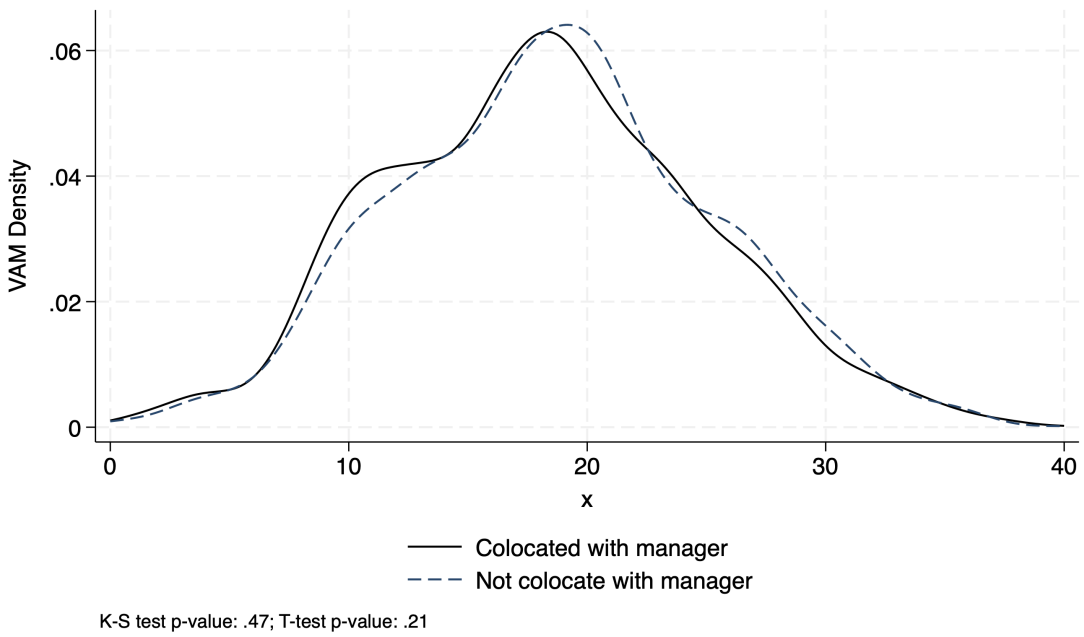


Figure A15: VAM Distribution by CO Location

Note: This figure presents the distributions of vertical misalignment for employees who are co-located with their managers (i.e. are sitting in the same office) and employees who are not co-located with their manager.

Tables

	Values sample			Non-values sample			Difference	
	Mean	SD	N	Mean	SD	N	P-val	Normalized
Female	.495	.5	38730	.501	.5	56143	.06	.01
White	.274	.446	25350	.304	.46	32386	0	.07
Black or Mixed	.035	.183	25350	.036	.187	32386	.23	.01
Member of Ethnic minority	.094	.292	30873	.096	.295	38939	.28	.01
Age 20-30	.254	.435	38750	.257	.437	56187	.33	.01
Age 30-40	.388	.487	38750	.372	.483	56187	0	.03
Age 40-50	.223	.416	38750	.226	.418	56187	.24	.01
Age > 50	.135	.342	38750	.145	.352	56187	0	.03
Tenure < 1	.168	.374	38827	.17	.375	56311	.46	0
Tenure 1-4	.298	.457	38827	.301	.459	56311	.23	.01
Tenure 5-9	.215	.411	38827	.208	.406	56311	.01	.02
Tenure 10-20	.214	.41	38827	.208	.406	56311	.04	.01
Tenure > 20	.106	.307	38827	.113	.316	56311	0	.02
Customer Facing	.389	.487	38827	.387	.487	56311	.63	0
Assignment Number	.143	.511	38107	.148	.526	55203	.22	.01
Has managerial responsibility	.293	.455	38827	.285	.452	56311	.01	.02
Top career band	.008	.09	38827	.008	.087	56311	.46	0
Financial Performance	2.699	.791	29037	2.692	.794	41556	.26	.01
Behavioral Performance	3.075	.463	27245	3.074	.461	38841	.85	0

Table A1: Respondents to the Survey

Note: The table shows summary statistics for the sample of respondents to the questions on values ("Values sample") and for non-respondents ("Others"), who participated in the survey but were not shown the values questions. "Assignment number" is equal to the total number of roles held by the employee in the bank. "Top career band" is an indicator variable for being in the top three hierarchical levels. "Performance", "Behaviour" ratings are the standardized measures of performance collected by HR. The normalized difference follows the definition in Imbens & Rubin (2015).

	Financial Performance			Behavioral Performance			Leave			Intent to Stay		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
VAM (Spearman)	-0.295		-0.250	-0.320**		-0.282**	0.086		0.012	-0.025		0.169
	(0.210)		(0.216)	(0.127)		(0.132)	(0.106)		(0.108)	(0.346)		(0.356)
	[0.469]		[0.589]	[0.106]		[0.131]	[0.741]		[0.976]	[0.976]		[0.976]
HAM (Spearman)		-0.279	-0.223		-0.300*	-0.194		0.312**	0.356**		-0.814*	-0.956**
		(0.269)	(0.279)		(0.159)	(0.165)		(0.140)	(0.145)		(0.425)	(0.440)
		[0.148]	[0.190]		[0.087]	[0.137]		[0.087]	[0.087]		[0.087]	[0.087]
Observations	5,539	5,624	5,539	5,170	5,248	5,170	7,024	7,136	7,024	3,050	3,096	3,050
R-squared	0.072	0.072	0.072	0.044	0.043	0.044	0.083	0.082	0.084	0.081	0.081	0.083
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.711	2.709	2.711	3.073	3.071	3.073	0.268	0.269	0.268	3.430	3.425	3.430
DV SD	0.787	0.787	0.787	0.451	0.450	0.451	0.443	0.444	0.443	0.903	0.906	0.903

Clustered standard errors in parentheses
FDR q-values in square brackets
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A2: Main Fact: Robustness with Spearman ρ Index of Misalignment (cross section)

Note: This table replicates the results in Table 2 using an alternative metric to compute misalignment: the Spearman ρ index (see explanation in Appendix A.1). The regression models are the same as described in the note to Table 1. All the misalignment measures were re-scaled by a factor of 1/100 to facilitate the interpretation.

	Financial Performance			Behavioral Performance			Leave			Intent to Stay		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
VAM (1-% common top values)	-0.147**		-0.141**	-0.078**		-0.082**	0.030		0.019	0.090		0.106
	(0.063)		(0.065)	(0.037)		(0.039)	(0.031)		(0.032)	(0.103)		(0.108)
	[0.078]		[0.078]	[0.078]		[0.078]	[0.280]		[0.385]	[0.280]		[0.280]
HAM (1-% common top values)		-0.071	-0.033		-0.007	0.017		0.057	0.057		0.002	-0.081
		(0.077)	(0.080)		(0.047)	(0.049)		(0.042)	(0.043)		(0.125)	(0.132)
		[1.000]	[1.000]		[1.000]	[1.000]		[1.000]	[1.000]		[1.000]	[1.000]
Observations	5,539	5,624	5,539	5,170	5,248	5,170	7,024	7,136	7,024	3,050	3,096	3,050
R-squared	0.072	0.072	0.072	0.044	0.043	0.044	0.083	0.082	0.083	0.082	0.080	0.082
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.711	2.709	2.711	3.073	3.071	3.073	0.268	0.269	0.268	3.430	3.425	3.430
DV SD	0.787	0.787	0.787	0.451	0.450	0.451	0.443	0.444	0.443	0.903	0.906	0.903

Clustered standard errors in parentheses
FDR q-values in square brackets
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A3: Main Fact: Robustness with Share of Uncommon Top-5 Values as Measure of Misalignment (cross section)

Note: This table replicates the results in Table 2 using an alternative metric to compute misalignment: the share of values that are not common among the top-5 values between employees. The regression models are the same as described in the note to Figure 1.

	Mgr Financial Performance			Mgr Behavioral Performance			Mgr Leave			Mgr Intent to Stay		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
VAM	-0.159		-0.092	0.109		0.155	-0.066		-0.080	-0.204		-0.182
	(0.181)		(0.189)	(0.106)		(0.112)	(0.085)		(0.090)	(0.286)		(0.316)
	[1.000]		[1.000]	[1.000]		[1.000]	[1.000]		[1.000]	[1.000]		[1.000]
HAM		-0.378	-0.315		-0.181	-0.218		0.050	0.067		-0.224	-0.102
		(0.277)	(0.290)		(0.169)	(0.177)		(0.133)	(0.141)		(0.411)	(0.449)
		[1.000]	[1.000]		[1.000]	[1.000]		[1.000]	[1.000]		[1.000]	[1.000]
Observations	6,332	6,433	6,332	5,940	6,034	5,940	7,024	7,136	7,024	4,738	4,796	4,738
R-squared	0.057	0.056	0.058	0.068	0.066	0.068	0.096	0.096	0.096	0.065	0.067	0.065
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.952	2.951	2.952	3.210	3.209	3.210	0.181	0.180	0.181	3.786	3.778	3.786

Clustered standard errors in parentheses
FDR q-values in square brackets
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A4: Effect of Misalignment on Manager Performance

Note: This table displays estimations of manager's performance and turnover on actual vertical and horizontal value misalignment measures. All the misalignment measures are calculated using the Kendall τ index. To construct the measure of VAM, we first calculate the individual vertical actual misalignment (VAM) for the manager for each worker and then take the average across all of the workers. The individual horizontal actual misalignment (HAM) is the average actual value misalignment among all the pairs of workers (excluding their manager and without double-counting pairs of employees). All the misalignment measures were re-scaled by a factor of 1/100 to facilitate the interpretation. Controls are averaged at the team level and include worker and manager characteristics such as gender, age, tenure, customer-facing role, ethnicity (Asian, White, and Black-Mixed), top global career band, and assignment number. Standard errors are clustered at the team level. The unit of observation is the team.

	Financial Performance			Behavioral Performance			Leave the Company			Intent to Stay		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
VAM4V	0.244		0.268	-0.303		-0.286	0.118		0.113	0.290		0.276
	(0.734)		(0.733)	(0.447)		(0.448)	(0.367)		(0.367)	(1.194)		(1.194)
VAM7V		-0.749**	-0.751**		-0.376*	-0.374*		0.153	0.152		0.477	0.476
		(0.326)	(0.326)		(0.192)	(0.192)		(0.162)	(0.162)		(0.541)	(0.541)
Observations	5,539	5,539	5,539	5,170	5,170	5,170	7,024	7,024	7,024	3,050	3,050	3,050
R-squared	0.071	0.072	0.072	0.043	0.044	0.044	0.083	0.083	0.083	0.081	0.082	0.082
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.711	2.711	2.711	3.073	3.073	3.073	0.268	0.268	0.268	3.430	3.430	3.430
DV SD	0.787	0.787	0.787	0.451	0.451	0.451	0.443	0.443	0.443	0.903	0.903	0.903

Clustered standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A5: VAM with or without Performance-Relevant Values

Note: This table presents the estimations of the employee performance and turnover with respect to two measures of vertical misalignment: one using four values that are positively related to performance (Responsibility, Hard Work, Determination and Tolerance) and the other using the seven remaining values. All the misalignment measures are defined by the Kendall τ index. Each version of the individual vertical actual misalignment values (VAM) is the actual value misalignment with his/her manager. All the misalignment measures were re-scaled by a factor of 1/100 to facilitate the interpretation. Controls are defined in the note to Figure 1.

	Financial Performance				Behavioral Performance			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
VAM	-0.326*	-0.369**	-0.343*	-0.556**	-0.259**	-0.267**	-0.256**	-0.345***
	(0.171)	(0.185)	(0.186)	(0.220)	(0.105)	(0.110)	(0.110)	(0.132)
Observations	5,400	4,633	4,633	3,346	5,035	4,614	4,614	3,342
R-squared	0.147	0.158	0.160	0.171	0.130	0.129	0.130	0.138
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Additional Controls								
Job Role	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mgr Perf		Yes	Yes	Yes		Yes	Yes	Yes
Mgr Demographic Diff			Yes	Yes			Yes	Yes
Top Misalignment				Yes				Yes
DV Mean	2.709	2.706	2.706	2.686	3.071	3.069	3.069	3.066
DV SD	0.788	0.794	0.794	0.782	0.449	0.449	0.449	0.461

Clustered standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A6: Robustness VAM effect

Note: This table presents the estimations of the effect actual value misalignment with his/her boss –VAM– on employee performance. Misalignment measures are computed using the Kendall τ index and are re-scaled by a factor of 1/100 to facilitate the interpretation. Controls and fixed effects are defined in the note to Figure 1. For each dependent variable, there are an increasing number of controls, starting by the job role, managerial performance, demographic differences with the manager, and then misalignment with the top of the bank. Standard errors are clustered at the team level.

	Financial Performance		Behavioral Performance		Leave the Company		Intent to Stay	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A								
VAM	-0.306*	-0.277*	-0.198**	-0.186*	0.080	0.070	0.118	0.115
	(0.158)	(0.159)	(0.096)	(0.096)	(0.079)	(0.079)	(0.265)	(0.265)
Mgr. Dif. Minority Memb.		-0.073**		-0.032		0.032**		0.011
		(0.033)		(0.021)		(0.016)		(0.057)
Mgr. Dif. Age		-0.006		-0.020		-0.004		0.033
		(0.023)		(0.015)		(0.012)		(0.035)
Mgr. Dif. Gender		-0.050**		-0.014		0.027**		-0.016
		(0.022)		(0.013)		(0.011)		(0.034)
Observations	5,539	5,539	5,170	5,170	7,024	7,024	3,050	3,050
R-squared	0.072	0.074	0.044	0.045	0.083	0.084	0.081	0.082
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.711	2.711	3.073	3.073	0.268	0.268	3.430	3.430
DV SD	0.787	0.787	0.451	0.451	0.443	0.443	0.903	0.903
Panel B								
HAM	-0.197	-0.172	-0.157	-0.148	0.231**	0.226**	-0.337	-0.344
	(0.199)	(0.199)	(0.119)	(0.119)	(0.106)	(0.106)	(0.322)	(0.323)
Coll. Dif. Minority Memb.	-0.087*		-0.036		0.017		-0.084	
	(0.046)		(0.028)		(0.024)		(0.079)	
Coll. Dif. Age	0.039		-0.003		-0.023		0.047	
	(0.028)		(0.017)		(0.015)		(0.045)	
Coll. Dif. Gender	-0.062**		-0.014		0.013		-0.011	
	(0.027)		(0.017)		(0.014)		(0.042)	
Observations	5,624	5,624	5,248	5,248	7,136	7,136	3,096	3,096
R-squared	0.072	0.074	0.043	0.044	0.082	0.083	0.080	0.081
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.709	2.709	3.071	3.071	0.269	0.269	3.425	3.425
DV SD	0.787	0.787	0.450	0.450	0.444	0.444	0.906	0.906

Clustered standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A7: Robustness VAM effect

Note: This table presents the estimations of the effect actual value misalignment with a manager –VAM– or with colleagues –HAM – on employee performance. Misalignment measures are computed using the Kendall τ index and are re-scaled by a factor of 1/100 to facilitate the interpretation. Controls and fixed effects are defined in the note to Figure 1. For each dependent variable, one column adds controls for differences in demographics between an employee and her manager (Panel A) or her colleagues (Panel B).

	Financial Performance			Behavioral Performance			Leave the Company		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
VAM (Spearman)	-2.772***		-2.882***	0.356		0.317	-0.010		-0.007
	(1.027)		(1.040)	(0.706)		(0.713)	(0.022)		(0.023)
	[0.023]		[0.023]	[1.000]		[1.000]	[1.000]		[1.000]
HAM (Spearman)		-0.472	-0.923		-0.058	-0.346		-0.019	0.029
		(0.325)	(0.956)		(0.213)	(0.592)		(0.026)	(0.090)
		[1.000]	[1.000]		[1.000]	[1.000]		[1.000]	[1.000]
Observations	2,773	12,593	2,773	2,762	12,533	2,762	2,862	13,027	2,862
Tenure Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Worker FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Semester FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.815	2.843	2.815	3.188	3.190	3.188	0.008	0.013	0.008

Clustered standard errors in parentheses
FDR q-values in square brackets
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A8: Panel-Data Estimations with Spearman

Note: This table presents the estimations of the employee performance, turnover between the actual value misalignment with other team members (excluding their manager), and the actual value misalignment with his/her boss. The first two regression groups report the OLS estimations considering as dependent variables the individual performance, while last group consider the employee's turnover. Leaves the Company dummy takes 1 if the employee quits the organization during the semester, and 0 otherwise. All the misalignment measures are defined by the Spearman ρ index. The individual vertical actual misalignment (VAM) is the actual value misalignment with his/her manager. The individual horizontal actual misalignment (HAM) is the actual value misalignment with other team colleagues (excluding their manager). The HAM comes from averaging across individuals (without double-counting pairs of employees). All the misalignment measures were re-scaled by a factor of 1/100 to facilitate the interpretation. Controls include tenure and sub-division. Fixed effects by worker and semester. Error clustering at worker level. The unit of observation is the individual by each semester.

	Financial Performance			Behavioral Performance			Leave the Company		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
VAM	-1.878*	-1.888*	-1.925*	-0.022	0.018	-0.021	-0.008	-0.012	-0.009
	(1.024)	(0.998)	(1.008)	(0.631)	(0.620)	(0.633)	(0.018)	(0.016)	(0.018)
Observations	2,580	2,562	2,556	2,570	2,552	2,546	2,644	2,627	2,618
Tenure Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Worker FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Semester FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Additional controls									
Mgr. Financial Perf. Control	Yes	No	Yes	Yes	No	Yes	Yes	No	Yes
Mgr. Behavioral Perf. Control	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes
Mgr. Characteristics Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.802	2.804	2.804	3.183	3.185	3.185	0.009	0.009	0.009

Robust standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A9: Panel Estimates including Controls for Managers' Performance and Observables

Note: This table presents the estimations between the employee performance and turnover with the actual value misalignment while controlling for managerial observables. The first two regression groups report the OLS estimations considering as dependent variables the individual performance, while last group consider the employee's turnover. Leaves the Company dummy takes 1 if the employee quits the organitzation within the next 3 years, and 0 otherwise. The managerial observables are the financial and behavioral performance of his/her manager, as well as manager's characteristics such as gender, ethnicity, assignment number, tenure and global career band. All the misalignment measures are defined by the Kendall τ index. The individual vertical actual misalignment (VAM) is the actual value misalignment with his/her manager. The individual horizontal actual misalignment (HAM) is the actual value misalignment with other team colleagues (excluding their manager). The HAM comes from averaging across individuals (without double-counting pairs of employees). All the misalignment measures were re-scaled by a factor of 1/100 to facilitate the interpretation. Controls include tenure and sub-division. Fixed effects by worker and semester. Error clustering at worker level. The unit of observation is the individual by each semester.

	Financial Performance			Behavioral Performance			Leave the Company		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
VAM	-2.012**		-2.079**	0.066		0.033	-0.022		-0.020
	(0.875)		(0.876)	(0.599)		(0.601)	(0.020)		(0.020)
	[0.070]		[0.070]	[0.817]		[0.817]	[0.429]		[0.429]
HAM		-0.571**	-0.819		-0.119	-0.436		-0.015	0.025
		(0.265)	(0.810)		(0.167)	(0.464)		(0.021)	(0.066)
		[0.232]	[0.978]		[0.978]	[0.978]		[0.978]	[1.000]
Observations	2,611	11,816	2,611	2,600	11,761	2,600	2,695	12,217	2,695
Tenure Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Worker FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Semester FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.809	2.831	2.809	3.180	3.186	3.180	0.007	0.012	0.007

Clustered standard errors in parentheses
FDR q-values in square brackets
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A10: Misalignment, Performance and Turnover: robustness (panel)

Note: This table presents the estimations of the not-switching employee performance and turnover regarding the actual value misalignment with other team members (excluding their manager), and the actual value misalignment with his/her boss. The first two regression groups report the OLS estimations considering as dependent variables the individual performance, while last group consider the employee's turnover. Financial and Behavioral performance are the scores of the employee in those items within the performance assessment. Leaves the Company dummy takes 1 if the employee quits the enterprise during the semester, and 0 otherwise. All the misalignment measures are defined by the Kendall τ index. The individual vertical actual misalignment (VAM) is the actual value misalignment with his/her manager. The individual horizontal actual misalignment (HAM) is the actual value misalignment with other team colleagues (excluding their manager). The HAM comes from averaging across individuals (without double-counting pairs of employees). All the misalignment measures were re-scaled by a factor of 1/100 to facilitate the interpretation. Controls include tenure and sub-division. Fixed effects by worker and semester. Error clustering at worker level. The unit of observation is the individual by each semester.

	Financial Performance					
	(1)	(2)	(3)	(4)	(5)	(6)
	Team characteristics:					
	Min VAM		Max-Min VAM		SD VAM	
	< p25	> p75	> p75	< p25	> p50	< p50
VAM	-0.749	-0.762	-0.580**	-0.356	-0.290	-0.472*
	(0.536)	(0.692)	(0.257)	(0.452)	(0.194)	(0.282)
P-val diff	0.99		0.66		0.59	
Observations	718	715	1,197	1,214	2,827	2,710
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.701	2.717	2.731	2.696	2.721	2.700

Clustered standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A11: Testing Managers' Bias

Note: The Table shows three different exercise to test whether a manager who has different values to their subordinates behaves in a biased manner. Column (1) and (2) show the relationship between VAM and financial performance for two groups of teams: those where the minimum VAM is below the 25th percentile of the VAM distribution (Column (1)) and those those where the minimum VAM is above the 75th percentile of the VAM distribution (Column (2)). Columns (3) and (4) split the sample into two groups of teams, depending on whether the difference between the maximum and minimum VAM in the team is very high (Column (3)) or very low (Column (4)). The first four regressions exclude employees with the minimum VAM. The last two Columns split the sample depending on the standard deviation of VAM within a team being above or below median. The idea is that, if a manager is biased, we would expect him/her to favor those employeees who are very aligned with them and, similarly, penalize those who are very misaligned. The main cost of misalignment should then be concentrated in teams where there are large differences in VAM across subordinates (i.e., where there is room for the manager to be biased).

	Index	Job Satisfaction Components:					
	Job satisfaction	No barriers in doing job	Feel as productive as can be	Able to achieve objectives	Proud of work	Feel Valued by bank	Would recommend job at bank
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VAM	-0.266*	-0.106	-0.124	-0.365**	-0.301*	-0.439**	-0.258
	(0.141)	(0.182)	(0.178)	(0.173)	(0.182)	(0.186)	(0.182)
	[0.140]	[0.435]	[0.425]	[0.096]	[0.188]	[0.067]	[0.246]
Observations	7,024	7,024	7,024	7,024	7,024	7,024	7,024
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mgr Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mgr Demo Diff Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Top VAM Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	0.028	0.031	0.034	0.047	0.023	0.012	0.020

Clustered standard errors in parentheses
FDR q-values in square brackets
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A12: Relationship between VAM and job satisfaction components

Note: This table presents the estimations of the individual vertical actual misalignment (VAM) with Job Satisfaction. The first column is the standardized average across all the variables in the rest of the columns. Each column (from the second one) corresponds to an OLS estimation between VAM and a different outcome. VAM is defined as the Kendall τ index of the actual value misalignment with his/her manager. The VAM was re-scaled by a factor of 1/100 to facilitate the interpretation. In addition to the controls of our main specifications (see Figure 1), we add controls for demographic differences with the manager and value misalignment with the bank's management. Standard errors are clustered at the team level.

		Speak-up Components:						
	Speak-Up Index	Report Wrong	Screen Right/Wrong	Say What I Think	State Opinion	Challenge Policy	Diff Convos	Criticize
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
VAM	-0.416***	-0.484***	-0.456**	-0.373**	-0.342*	-0.563***	-0.427**	-0.267
	(0.145)	(0.183)	(0.186)	(0.188)	(0.189)	(0.189)	(0.189)	(0.189)
	[0.029]	[0.036]	[0.050]	[0.104]	[0.137]	[0.027]	[0.073]	[0.209]
Observations	7,024	7,024	7,024	7,024	7,024	7,024	7,024	7,024
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Additional controls								
Mgr Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mgr Demo Diff Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Top VAM Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	0.033	0.025	0.054	0.024	0.028	0.048	0.023	0.028

Clustered standard errors in parentheses
FDR q-values in square brackets
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A13: Relationship between VAM and Speaking Up

Note: This table presents the estimations of the individual vertical actual misalignment (VAM) with Speak up. The first column is the average across all the variables in the rest of the columns. Each column (from the second one) corresponds to an OLS estimation between VAM and a different outcome. VAM is defined as the Kendall τ index of the actual value misalignment with his/her manager. The VAM was re-scaled by a factor of 1/100 to facilitate the interpretation. In addition to the controls of our main specifications (see Figure 1), we add controls for demographic differences with the manager and value misalignment with the bank's management. Standard errors are clustered at the team level.

		Manager gives me feedback:				Manager asks
	Frequent check-ins	When I do well	To get back on-track	On positive behavior	To support me	For my advice
	(1)	(2)	(3)	(4)	(5)	(6)
VAM	0.033	-0.108	-0.030	-0.030	-0.064	-0.071
	(0.091)	(0.090)	(0.093)	(0.095)	(0.095)	(0.091)
	[0.413]	[0.258]	[0.414]	[0.414]	[0.380]	[0.344]
Observations	7,024	7,024	7,024	7,024	7,024	7,024
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Additional controls						
Mgr Controls	Yes	Yes	Yes	Yes	Yes	Yes
Mgr Demo Diff Controls	Yes	Yes	Yes	Yes	Yes	Yes
Top VAM Control	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	0.631	0.616	0.478	0.497	0.496	0.447

Clustered standard errors in parentheses
FDR q-values in square brackets
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A14: Relationship between VAM and Managers' Communication

Note: This table presents the estimations of the individual vertical actual misalignment (VAM) with the manager's communication variables. Each column corresponds to an OLS estimation between VAM and a different outcome. VAM is defined as the Kendall τ index of the actual value misalignment with his/her manager. The VAM was re-scaled by a factor of 1/100 to facilitate the interpretation. In addition to the controls of our main specifications (see Figure 1), we add controls for demographic differences with the manager and value misalignment with the bank's management. Standard errors are clustered at the team level.

	Received mentoring	Barriers for doing job well	Task allocation	Perception of promotion	Recognized for doing good job	Perceived social impact
	(1)	(2)	(3)	(4)	(5)	(6)
VAM	-0.117	-0.090	0.129	-0.173	-0.233	-0.300*
	(0.197)	(0.181)	(0.184)	(0.184)	(0.270)	(0.180)
	[0.380]	[0.406]	[0.344]	[0.317]	[0.321]	[0.163]
Observations	6,599	7,027	7,027	7,027	3,578	7,017
R-squared	0.082	0.140	0.103	0.116	0.072	0.166
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	-0.001	0.030	-0.005	0.025	0.001	0.042
DV SD	1.000	0.997	1.003	1.007	0.976	1.002

Clustered standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A15: Relationship between VAM and Other Potential Channels

Note: This table presents the estimations of the individual vertical actual misalignment (VAM) with other potential explanations for the main mechanism. Each column corresponds to an OLS estimation between VAM and a different outcome. VAM is defined as the Kendall τ index of the actual value misalignment with his/her manager. The VAM was re-scaled by a factor of 1/100 to facilitate the interpretation. In addition to the controls of our main specifications (see Figure 1), we add controls for demographic differences with the manager and value misalignment with the bank's management. Standard errors are clustered at the team level.

	Manager Switch		Employee Switch	
	(1)	(2)	(1)	(2)
VAM	0.313		0.303	
	(0.305)		(0.237)	
HAM		0.037		-0.064
		(0.175)		(0.143)
Observations	1,638	6,548	1,834	7,542
R-squared	0.247	0.175	0.220	0.166
Tenure Control	Yes	Yes	Yes	Yes
Sub-division Control	Yes	Yes	Yes	Yes
Semester FE	Yes	Yes	Yes	Yes
DV Mean	0.274	0.310	0.181	0.198
DV SD	0.446	0.463	0.385	0.398

Robust standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A16: Correlation between VAM and Switches

Note: This table presents the estimates of vertical and horizontal actual value misalignment on Manager Switch's and Employee Switch's while controlling for observables. The dependent variables takes the value of zero when the employee never experiences the switch and takes the value of one after the switch has occurred. All the misalignment measures are defined by the Kendall τ index. The individual vertical actual misalignment (VAM) is the actual value misalignment with his/her manager. The individual horizontal actual misalignment (HAM) is the actual value misalignment with other team colleagues (excluding their manager). The HAM comes from averaging across individuals (without double-counting pairs of employees). All the misalignment measures were re-scaled by a factor of 1/100 to facilitate the interpretation. Controls include tenure and sub-division. Fixed effects by semester. Error clustering at worker level. The unit of observation is the individual by each semester.

	Financial Performance			Behavioral Performance			Leave the Company			Intent to Stay		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
VAM	-0.315**		-0.252	-0.192**		-0.170*	0.085		0.019	0.140		0.214
	(0.158)		(0.165)	(0.096)		(0.099)	(0.079)		(0.083)	(0.264)		(0.269)
BPM		-0.254***	-0.335**		-0.172***	-0.149		0.171***	0.151*		-1.119***	-1.111***
		(0.081)	(0.158)		(0.051)	(0.097)		(0.040)	(0.081)		(0.136)	(0.270)
Observations	5,542	19,581	5,159	5,172	18,459	4,831	7,027	25,704	6,579	3,050	10,860	2,888
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.711	2.706	2.716	3.073	3.078	3.073	0.268	0.280	0.269	3.430	3.423	3.437

Clustered standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A17: Actual vs Perceived Vertical Misalignment

Note: This table presents the effect of vertical actual value misalignment and perceived value misalignment with the bank on employee performance and turnover. All the misalignment measures are defined by the Kendall τ index. VAM is the actual value misalignment with an employee's manager. The individual bank perceived misalignment (BPM) is the misalignment between the employee's values and the values he/she thinks the bank has. All the misalignment measures were re-scaled by a factor of 1/100 to facilitate the interpretation. Controls are defined as in Figure 1.

	co-location	co-location
	(1)	(1)
VAM	0.000	
	(0.090)	
HAM		-0.045
		(0.102)
Observations	7,027	7,139
R-squared	0.137	0.137
Controls	Yes	Yes
Division FE	Yes	Yes
Country FE	Yes	Yes
DV Mean	0.742	0.742
DV SD	0.438	0.437

Robust standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A18: Correlation between VAM and CO Location

Note: This table the effect of CO Location with the Manager on the vertical and horitzontal actual value misalignment while controlling for observables. All the misalignment measures are defined by the Kendall τ index. All the misalignment measures were re-scaled by a factor of 1/100 to facilitate the interpretation. Controls include gender, age, tenure, customer facing role, ethnicity (Asian, White, and Black-Mixed), top global career band, and assignment number. Fixed effects and standard errors clustering by division and country. The unit of observation is the individual.

	Financial Performance			Behavioral Performance			Leave the Company		
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
VAM	-0.399***	-0.140	0.506	-0.191**	-0.282	0.329	0.100	-0.006	0.434
	(0.152)	(0.340)	(0.679)	(0.089)	(0.186)	(0.306)	(0.083)	(0.141)	(0.389)
Same Office	Yes	No	No	Yes	No	No	Yes	No	No
Same Country	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No
Observations	4,114	1,122	279	3,846	1,037	263	5,212	1,432	359
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.692	2.756	2.810	3.055	3.124	3.125	0.260	0.298	0.262

Clustered standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A19: CO Location and Communication

Note: This table presents estimations of VAM on performance and turnover, depending on co-location with the manager. Controls are defined as in Figure 1. Standard errors are clustered at the team level.

	Financial Performance			Behavioral Performance			Leave the Company			Intent to Stay		
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
VAM	-0.315**		-0.273**	-0.192**		-0.178**	0.085		0.035	0.140		0.119
	(0.129)		(0.130)	(0.076)		(0.088)	(0.067)		(0.084)	(0.223)		(0.230)
HAP		0.033	0.085**		-0.008	-0.030		-0.026*	-0.031		0.132***	0.147***
		(0.026)	(0.042)		(0.014)	(0.021)		(0.014)	(0.025)		(0.041)	(0.056)
Observations	5,542	17,087	4,498	5,172	16,153	4,237	7,027	22,607	5,770	3,050	9,612	2,577
R-squared	0.068	0.056	0.073	0.039	0.033	0.042	0.081	0.085	0.080	0.077	0.069	0.085
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Division FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DV Mean	2.711	2.705	2.720	3.073	3.079	3.078	0.268	0.281	0.269	3.430	3.437	3.443
DV SD	0.787	0.796	0.786	0.451	0.460	0.446	0.443	0.449	0.444	0.903	0.899	0.896

Robust standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A20: VAM and Horizontal Perception Accuracy

Note: This table presents the estimations of the employee performance on the actual value misalignment with his/her boss and Horizontal Perception Accuracy (HPA). HPA it's the average accuracy of the employees reporting their perceived values of their peers for a given level 100% accuracy means that, on average, all the three perceived values reported present in the top 3 values of his/her team. The VAM was re-scaled by a factor of 1/100 to facilitate the interpretation.

	BPM	HPM
Communication Index	-0.012***	-0.012***
	(0.001)	(0.001)
Observations	25,704	23,861
R-squared	0.075	0.034
Controls	Yes	Yes
Division FE	Yes	Yes
Country FE	Yes	Yes
DV Mean	0.123	0.126
DV SD	0.071	0.071

Robust standard errors in parentheses
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Table A21: Communication and Perceived Misalignment

Note: This table presents theeffect of employee perceived value misalignment on the communication index. Panel A considers the communication and the perceived misalignment among team members. Panel B examines the communication and the perceived misalignment with the bank. All the perceived misalignment measures are defined by the Kendall τ index. The individual horizontal perceived misalignment (HPM) is the misalignment between the employee's values, and the values he/she thinks his/her colleagues have. The individual bank perceived misalignment (BPM) is the misalignment between the employee's values, and the values he/she thinks the bank has. All the perceived misalignment measures were re-scaled by a factor of 1/100 to facilitate the interpretation. The communication index corresponds to the average of standardized variables capturing the degree of employee's agreement with the affirmation that in his/her work place: feels able to speak up when he/she sees a behavior which considers to be wrong; issues of right and wrong are discussed in team meetings; everyone has the chance to say what they think; people can state their opinion; feels able to challenge policies and procedures that he/she thinks will be bad for customers; people feel comfortable suggesting different ways of doing things; and constructive criticism is appreciated. Additionally, the communication index considers variables measuring the frequency of meetings with the team and the manager. Controls include gender, age, tenure, customer facing role, ethnicity (Asian, White, and Black-Mixed), top global career band, and assignment number. Fixed effects and standard errors clustering by division and country. The unit of observation is the individual.

A.1 Value Misalignment Measures

Kendall τ

For each pair of people in a team, we calculate the distance between their rankings of each possible pair of values and sum them up over all pairs. Let $N = \{1, ...n\}$ be the set of value pairs and R_1, R_2 be the two top k rankings on N. The Kendall τ distance is defined as:

$$d_{Kendall}(R_1, R_2) = \sum_{\{i,j\} \epsilon N} K_{i,j}(R_1, R_2)$$

where:

- $K_{i,j}(R_1, R_2) = 0$ if i and j appear in the same order in R_1 and R_2
- $K_{i,j}(R_1, R_2) = 1$ if i and j appear in the opposite order in R_1 and R_2
- $K_{i,j}(R_1, R_2) = \frac{1}{2}$ if both i and j appear in position $k + 1$ in a ranking (i.e. not in the top k positions) and in positions ahead of $k + 1$ in the other ranking

For example, take a given pair of values: independence (i) and obedience (j). If both people rank independence and obedience among their top five values, the distance will be zero or one depending on whether the values are ranked in the same or different order. Now consider the case in which one person ranks both independence and obedience, but the other ranks only one. If the unranked value in the second list is the same as the lower-ranked value in the first, the distance is zero. If the unranked value in the second list is the same as the higher-ranked value in the first, distance is one. If one person ranks independence, but not obedience, and the other ranks obedience, but not independence, the distance is always one. Finally, if one person ranks independence and/or obedience, but the other ranks neither, distance is a half. The penalty is less than one because we don't know how the person who doesn't rank either value would order them.

Absolute Spearman ρ

For each pair of people in a team, we subtract person 1's ranking of a given value from person 2's ranking. We do this for all eleven values and sum up the absolute value of each

difference to get the distance. Every value which is not ranked among the top k is given rank $k+1$:

$$\rho_{abs}(R_1, R_2) = \sum_{\{i=1\} \in N} r_1(i) - r_2(i)$$

where i is a value, $r_j(i)$ is the ranking for person $j \in \{1, 2\}$ and N is the set of eleven values.

Share of uncommon top values

For each pair of people in a team, we compute the share of values which are mentioned by both employees among their top 5 values. We then take substract this share from 1, and average across all the pairs of employees within the team.

Measuring Perceived Misalignment

Employees were asked the top 3 values he/she thinks his/her colleagues considered important, but without a ranking. We revise the misalignment measures as follows. If i, but not j, appears in one top-k list, and j, but not i, appears in the other list, the penalty is 1. If j and/or i appear in one top-k list, but neither i nor j appears in the other, the penalty is 1/2. In all other cases, the misalignment value is zero.

A.2 Online Survey with Workers in the Financial Industry

Here is the list of main questions that we asked in the survey:

Q1. Here is a list of qualities/values that children can be encouraged to learn at home. Which do you consider to be especially important?
Please select 5 qualities/values, those which you think are the most important. Independence
Hard work
Feeling of responsibility
Imagination
Tolerance and respect for other people
Thrift, saving money and things
Determination, perseverance
Religious faith
Unselfishness
Obedience
Self-expression

Q2. Keep thinking about the 11 personal values listed above. Reflect on the experience that you have in your current workplace and organization. To what extent do you agree with the following statements? For all the statements, consider as "colleagues" the members of your team, that is the group of people supervised by the same direct manager.
[For every statement, respondents have to reply on the following scale: Strongly disagree - Disagree - Somewhat disagree – Somewhat agree – Agree – Strongly agree]

- "Having different personal values to those of my colleagues makes me less productive"
- "Having different personal values to those of my direct manager makes me less productive"
- "A manager and an employee with different personal values have difficulties communicating"
- "More and better communication with my manager increases my productivity"

- "Where I work, the HR department does not think that sharing personal values between managers and workers is important for employees' productivity"

Q3. You agreed/disagreed with the statement: "Having different personal values to those of my colleagues makes me less productive". Can you explain why? If possible, give concrete examples.

Q4. You agreed/disagreed with the statement: "Having different personal values to those of my direct manager makes me less productive". Can you explain why? If possible, give concrete examples.

Q5. You agreed/disagreed with the statement: "A manager and an employee with different personal values have difficulties communicating". Can you explain why? If possible, give concrete examples.

Q6. You agreed/disagreed with the statement: "More and better communication with my manager increases my productivity". Can you explain why? If possible, give concrete examples.

Q7. A "speak up culture" is an environment where employees feel comfortable speaking their minds, sharing their ideas, and raising concerns without fear of negative consequences or reprisal. Do you think that a speak-up culture can increase employees' productivity?
Yes, definitely / Yes / No / No, definitely not

Q8. You mentioned before that having different values to your direct manager negatively affects your productivity. Do you think that a speak-up culture can help alleviate this problem? Definitely not / Probably not / Probably yes / Definitely yes

Q9. Think about the last time you were assigned to work with a specific team of people. Do you think your personal values were considered as part of this allocation process?
Definitely not / Probably not / Might or might not /Probably yes / Definitely yes