

Urmi Nanda Biswas · Karin Allard  
Anders Pousette · Annika Härenstam

# Understanding Attractive Work in a Globalized World

Studies from India and Sweden

 Springer

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With contributions from Birgitta Jordansson

 Springer

Urmi Nanda Biswas  
The M.S. University of Baroda  
Vadodara, Gujarat  
India

Anders Pousette  
Department of Psychology  
University of Gothenburg  
Gothenburg  
Sweden

Karin Allard  
Department of Sociology and Work Science  
University of Gothenburg  
Gothenburg  
Sweden

Annika Härenstam  
Department of Psychology  
Stockholm University  
Stockholm  
Sweden

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# Preface

The motivation for writing this book comes from the need of understanding organizational values and its effect on making the workplace attractive for employees across different types of work settings. In this book, we take a multilevel approach to present the underlying connections between organizational values, attractive work and organizational performance. This book contributes with knowledge about how to retain employees who are already working in the organization in contrast to the main body of the employer branding literature of attractive work which often takes the perspective of attracting potential employees. This book focuses on managers' perceptions because managers are important for understanding the relationship between organizational values and attractiveness and they have a critical role in creating and preserving the organizational culture. Further, they are in a position to take actions intended to increase the attractiveness of an organization as an employer.

The book presents how corporate social responsibility (CSR) and equal opportunities for men and women in the organization (EO) as organizational values are conceptualized, presented and perceived in manufacturing, IT, education and healthcare sectors in India and Sweden. In addition, the book discusses the importance of CSR and EO for making workplaces attractive to both existing and potential employees and argues that employer branding can be an efficient tool, when both internal and external perspectives are taken together.

In the existing body of research related to workplaces and how it attracts and retains employees, attractive work and workplaces certainly have been mentioned in the passing. However, there have been very few systematic efforts to understand and give a contour to attractive workplaces as a concept. This book is an effort to understand what makes workplaces attractive in terms of organizational values and in the context of different types of cultures.

This book is written by researchers who are all part of a bigger research project which focuses on Organizational Values and Attractive Leadership in Sweden and in India (OVAL). The OVAL project was funded by the Swedish research council for health, working life and welfare (FORTE). The OVAL project focuses on four organizational values (CSR; EO; organizational support for combining work and

family; and organizational justice). The OVAL project explores the dynamics and complex relationships among the four values and attractiveness of the workplaces across sectors and countries. As part of the project, this book reports on two of the four studied values (CSR and EO).

Several studies have been performed within the OVAL project in order for intercultural comparisons to be possible. In an early phase of the OVAL project in 2012, we collected questionnaire data and found, in accordance with other cross-cultural researchers, that we needed to put effort in the development of measures that mean the same thing for respondents in both countries. That was kind of an eye-opener to us. We realized that the concepts, to some extent, are differently construed and are attached with different meanings and connotations in the two countries. We realized that it is futile to carry out cross-cultural comparisons without making invariance testing of the concepts in the two cultures. We also thought of cognitive interviews as an effective strategy to understand cultural differences. This motivated us to write and share our experiences of doing cross-cultural research with the academic fraternity engaged in cross-cultural research and management.

The point of departure for the OVAL project was that there are multiple layers of cultures and that these cultures can work independently or interdependently depending on the context. There can be national culture, sectoral culture, culture of the organization based on the way it is gendered (male dominated or female dominated), organizational culture and above all there can be a transnational culture which may influence and determine the way employees/managers behave in and respond to various situations. We wanted to explore and discuss this multicultural perspective for understanding attractive workplaces.

The findings of this book are of interest for

- Employers and HR specialists who work with retaining managers, or who are in a position of taking actions for increasing the attractiveness of their organizations.
- Potential managers who are searching for an attractive workplace.
- Policy makers who are interested in the impact of legalization on work organizations.
- Organizational researchers or students who in general are interested in multicultural perspectives in cross-cultural research or who are specifically interested in organizational values and attractive work.

The book consists of 13 chapters. Chapters 1–3 address the theoretical and conceptual framework of the book. Chapter 1, though not an introduction in a traditional way, introduces the concept of attractive work and workplace on the basis of existing literature and provides a framework for understanding the concept of the book. Chapter 2 deliberates on different approaches to understand employer branding and builds a rationale for the research presented in the book. Chapter 3 introduces corporate social responsibility and equal opportunity for men and women in the organization as perceived organizational values. Chapters 4 and 5

provide and justify the methodology chosen for the research presented in the book with reference to cross-cultural research methods. Chapters 6–9 and 11 describe and analyse the results gathered through the multiple methods of data collection in the four sectors in both countries. Chapters 6–9 present the results from manufacturing, information technology, education and health sectors, respectively. Chapter 10, which presents a case study of Swedish academic institutions, provides support to understand the results from education sector better. Chapter 11 analyses organizational values across sectors. Chapters 12 and 13 highlight the major findings, insights from the research, its implications for different groups of stakeholders, limitations in the research and lessons learnt by the researchers. These chapters have several insights, recommendations and take-home messages for the different groups of stakeholders associated with the four sectors studied.

Gujarat, India  
Gothenburg, Sweden  
Gothenburg, Sweden  
Stockholm, Sweden

Urmi Nanda Biswas  
Karin Allard  
Anders Pousette  
Annika Härenstam

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# Authors and Contributor

## About the Authors

**Urmi Nanda Biswas** is Professor in the Department of Psychology, the M.S. University of Baroda, Vadodara, Gujarat, India. She has been a Commonwealth Academic Staff Fellow (CASF) and a recipient of the UK India Educational Research Initiative (UKIERI) and Collaborative Delivery Award from British Council. She has been associated with the Clinical and Health Psychology Research Centre, School of Life Sciences, University of Roehampton, UK as an honorary senior research fellow and has been a Visiting Professor to Department of Work Science, Gothenburg University, Sweden. She has been the Principal and Co-investigator of various national and international projects with grants from Population Council, New York; British Council, London, UGC and ICSSR, New Delhi. Urmi Nanda Biswas's broad research interest includes organizational behaviour, human resource development and applied social and health psychology. She is the author of a book titled *Social Psychology of Health: Issues and Concerns in India* and about 35 papers in peer-reviewed national and international journals. Her present research interest concerns the multicultural and transcultural organization climate, perceived ethical values and practices and organizational performance. She has recently completed a project on Female Foeticide in India: Can a Public Campaign make an Impact? Another project in collaboration with the colleagues from Gothenburg University is in the process of completion.

**Karin Allard** is a licensed psychologist and has a Ph.D. in psychology. She is currently Assistant Professor at the Department of Sociology and Work Science, University of Gothenburg, Sweden. Dr. Allard has been the coordinator of the international masters' programme in Strategic Human Resource Management and Labour Relations at the University of Gothenburg for the last 4 years. She is currently the Director of the Centre for Global HRM at the University of Gothenburg and a senior lecturer within work and organizational psychology, leadership, group dynamics, work environment and employer branding. Karin's doctoral thesis was about the impact of organizational culture on employees'



possibilities to combine work and family. After the thesis, Karin has continued with her interest about organizational culture. In 2012, she became the project leader of the OVAL project on Organizational Values and Attractive Leadership in India and Sweden.

**Anders Pousette** is a Senior Lecturer at the Department of Psychology and a researcher at the Sahlgrenska Academy, Gothenburg University. He received his Ph.D. in psychology from the University of Gothenburg in 2001. He is a licensed psychologist and has been a practising organizational psychologist for more than 20 years. He has formerly worked as a researcher at the Swedish National Institute for Working Life, where he has been involved in several research projects concerning occupational health and safety. His research interest includes safety and security in organizations, organizational climate and culture, psychosocial working conditions and stress, group processes and leadership. He has a great interest in methodological issues in organizational research involving multilevel analysis and structural equation modelling. He has published more than 20 papers in peer-reviewed international journals. Currently, he is the principal investigator in a project addressing information security culture in organizations, and in upcoming intervention project that aims to strengthen occupational health and safety in small enterprises in the construction industry.

**Annika Härenstam** is Professor Emerita at the Department of Psychology, Stockholm University and active in research. She graduated in psychology and has a Ph.D. in medical science. She has worked as a researcher in occupational health services, at the Department of Occupational Health at Stockholm County Council and at the Swedish National Institute for Working Life. She had a position as Full Professor at the Department of Sociology and Work Science, at University of Gothenburg for 10 years. She is also an appreciated lecturer for managers and HR specialists. Her research has focused on changes in working life and consequences for women and men. She was the Swedish coordinator of an EU project: MEADOW (Measuring the Dynamics of Organisation and Work, <http://www.meadow-project.eu/>). This project aimed to create guidelines for measuring organizational change and the social and economic consequences in comparative studies. She was the director of the MOA project (modern work and life conditions for women and men), which developed methods with gender perspective in working life research, and integrated studies of organizations, working conditions and individual health. One of her large programmes that is still ongoing is about organizational conditions for managers in public sector organizations. Method development in work life studies and gender perspective in working life research are important issues in her research. In the past few years, she has been involved in collaboration with Indian colleagues in issues of gender, management and quality of work.

## **Contributor**

**Birgitta Jordansson** has a Ph.D. in history. She is Associate Professor in Work Science and works as a Senior Lecturer at the Department of Sociology and Work Science, Gothenburg University, Sweden. Her research interest concerns gender and gender equality related to labour, work organizations and the labour market with a special emphasis on gender, power and gender equality in the academy. For example, she is interested in postdoctoral education, centres of excellence and meritocracy in academic organizations as well as organizational prerequisites for gender equality in Swedish academic settings. At present, she is part of a research project under the name of ‘Translating policy into practice. Organizational and discursive framing of gender mainstreaming in Swedish academia’. The aim of the project is to investigate how government regulations and requirements concerning gender mainstreaming are translated into local policies, plans and actions by institutional leaders and gender equality practitioners in Swedish academia.

# Abbreviations

CEO	Chief executive officer
CFA	Confirmatory factor analysis
CFI	Comparative fit index
CSP	Corporate social performance
CSR	Corporate social responsibility
EIGE	European Institute for Gender Equality
EO	Equal opportunities for men and women in the organization
EVP	Employer value proposition
GDP	Gross domestic product
HR	Human resources
HRD	Human resource development
HRM	Human resource management
ICT	Information and communication technology
ILO	International labour organization
ISIC	International standard industrial classification
IT	Information technology
MNC	Multinational company
MNE	Multinational enterprise
NASSCOM	National Association of Software and Services Companies
NGO	Non-governmental organization
OECD	Organisation for Economic Co-operation and Development
PPP	Public–private partnership
PR	Public relations
PSU	Public sector undertaking
QWL	Quality of working life
R&D	Research and development
RMSEA	Root mean square error of approximation
SAIL	Steel Authority of India Limited
SIT	Social identity theory

UN  
WHO  
XSP

United Nations  
World Health Organization  
Cross-sector partnership

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# Chapter 1

## Attractive Work in a Globalized Context

### 1.1 Introduction

The world is highly diverse in terms of customs and cultures, but, beyond the barriers of culture, people everywhere want to succeed, take care of their families, be appreciated for their work and have personal and career growth, in other words, to develop. Connecting with the right kind of people for an organization, and letting them know that they are important for the organization, may be difficult, but is the key to attracting and retaining talented people.

In particular, doing business in the globalized world has made it pertinent for organizations to strategize well to attract the right kind of talent and to retain it in order to be effective. The process of globalization has influenced tremendously the dynamics of sociopolitical and economic interaction among nations, through their people, societies and business models. This process has effects on the environment, on culture, on political systems, on economic development and prosperity and on human physical well-being in societies around the world. Within this context, cultural and social uprooting and the flow of people and culture occur simultaneously, giving way to more re-embedding, adaptation and redefinition of identities to optimize growth and development in the new culture. For example, multinational companies (MNCs) looking for better economic opportunities and growth face the challenge of changing identities and shifting loyalties of their employees because of the transnational culture of the work environment. Also, national companies with their chequered sociocultural fabric, patterned by ethnicity, religion, caste group identity, etc., for example, in Southeast Asia, are also striving hard to enhance commitment and motivation and reduce intention to leave among their employees by designing their workplace to be attractive. Thus, attracting and retaining the workforce by making the workplace attractive has emerged as a key factor in the economic growth and sustainability of MNCs, national and global companies.

As every advanced economy becomes global, a nation's most important competitive asset is the skills and accumulative learning of its workforce. When all

developed countries can design, produce and distribute goods and services equally well and equally fast, every factor of production other than workforce skills can be duplicated anywhere in the world. Thus, the effectiveness and efficiency of the organization practically depend on its workforce (Parikh and Gupta 2012). Globalization is based on a few interconnected principles, including economic-political principles (free market and democracy) and cultural psychological ones (freedom of choice, tolerance and openness to experience) (Shirayev and Levy 2009). In organizations, the process of globalization involves so many areas of human activity and crosses so many cultural and national boundaries that the psychological values of openness and tolerance become essential for the diverse group of employees. Today's workplaces comprise multicultural and multigenerational workforces with different life ambitions and career perspectives. Moreover, an important psychological consequence of globalization is that it affects people's individualities, aspirations, expectations and the way they think about their social environment. Thus, what people think and feel about their work environment and expect from it has possible consequences for workplace behaviour.

Against the backdrop of this globalized context of business governance, 'attractive work' and 'attractive workplace' are emerging constructs which demand understanding and deliberation.

## 1.2 Conceptualizing Attractive Work

The notions of attractive work and attractive workplace have been tackled on many fronts in the literature on working life, organizations and management studies (Marks and Huzzard 2008). In the 1970s and 1980s, inspired by the tradition of sociotechnical systems theory, the key focus of the quality of working life (QWL) movement was on employers' efforts to improve job satisfaction and the attractiveness of workplaces (Davis and Cherns 1975; Walton 1973). As Marks and Huzzard (2008) have observed, in the mid-1980s, several researchers in both the US and the UK sought to develop models of job redesign that aimed to encourage and tap into worker initiative and increase job satisfaction. At roughly the same time, unions in Scandinavia, led by the metalworkers in Sweden, began to formulate proactive agendas on work organization based on notions of 'good work', in particular in engineering and manufacturing (Huzzard 2000). Thus, in the 1980s, the focus was on job design and working conditions in terms of interaction across hierarchies to promote good work among employees. Commonly, a good psychosocial work environment is based on a holistic process through which employees are developed by and in turn, develop their work environment (Abrahamsson and Johansson 2013).

Another approach has been to explore the notion of an attractive workplace from a health perspective. For example, Antonovsky's (1987) research showed that fit employees, working at attractive workplaces, were associated with jobs where they experienced a sense of context in their duties. This context was related to three main

factors pertaining to the work: comprehensibility, manageability and meaningfulness. Focusing similarly on health themes, Maslach and Leiter (1997) have argued that when a conflict of values exists between the main stakeholders of an organization, namely, employees, owners and customers (clients), it can emerge as a significant source of stress and even burnout among employees. Such a perspective suggests that organizations that publish statements of shared values taking into consideration their multiple stakeholders promote healthy or attractive workplaces.

Still another approach to conceptualizing attractive workplaces is offered by motivation theory. Similar to most versions of QWL, there is a clear emphasis here on designing organizational processes to motivate employees not only through extrinsic considerations in terms of instrumentally offering rewards or threatening punishments, but also through intrinsic rewards, that is, by satisfying the inner needs, motivations and expectations of workers (Herzberg et al. 1959). Crucially, the idea here is to attain higher levels of participation and thereby motivation by improving the attractiveness of the work itself, rather than through improving the terms and conditions in the employment contract (Marks and Huzzard 2008). Though 'attractive workplace' or 'attractive work' as constructs were not researched in the early literature of organizational behaviour, from the beginning, the goal of the theory of scientific management has been to identify the factors which keep employees motivated and committed, and which enable them to see their work as meaningful.

In increasingly competitive labour markets, attracting and retaining talent has become a prime concern of organizations (Collins 2001). The concept 'attractive' means 'having the quality of attracting or tending to attract'. 'Attractiveness' can be described as 'having the quality of drawing (living beings) by influencing their will and action', or 'having the quality of attracting attention, interest, affection, or other pleasurable emotion' (Oxford English Dictionary 1989). The concept of attractive work appears only to a limited extent in the research literature, but recently its use has gone up noticeably in the nascent field of employer branding and in literature related to the attraction and retention of employees within the framework of human resource management (HRM). Åteg et al. (2009) observe that the concept of attractive work is generally relegated to the headings or titles and/or the conclusions of articles or books, and is inadequately addressed in theoretical or empirical treatments. They could find very few published works dealing with the conceptualization of attractive work.

Attractive work has been viewed as work that stimulates positive attention through its positive characteristics even when people engage with this work closely and for long periods of time. Åteg et al. (2004) develop a model based on extensive interviews conducted with potential workforce members in order to develop an understanding of attractive work. This model of attractive work has three categories: attractive work content, work satisfaction and attractive work conditions. Attractive work content includes the aptitudes that the employee uses while doing particular kinds of work, and the characteristics of the work content encountered while carrying out the work. Work satisfaction encompasses the aspects which the employee perceives as resulting from carrying out the work. Attractive work

conditions relate to the circumstances surrounding the work, some of which are common to all employees at a workplace (*ibid.*). The attractive work model has been used as a tool for analysing changes in the attractiveness of different types of work (Hedlund 2006).

Attractiveness of work and of the workplace can have completely different meanings and implications from the perspective of different groups of people who are or may be affected by it. There can be different groups of stakeholders. Students being trained to work in a particular type of industry are the first group of stakeholders who may articulate their expectations about a desirable workplace, one where they would like to work. The criteria on the basis of which they evaluate attractive work and workplaces are largely based on their theoretical knowledge and their exposure to external communications by competitive industries in that particular sector. Hiring well-educated, competent employees, therefore, requires industries to understand the expectations of outsiders and young people who constitute the potential workforce of any particular industry. This has been one of the major research domains of recruiting and staffing agencies. For example, big recruiting and staffing agencies like Randstad work across countries to understand cultural influences on the expectations of the young potential workforce, and advise organizations to strategize their branding operations accordingly (Randstad 2014). Over the last 15 years, for its global awards, Randstad has tried to identify the most attractive employer across 23 countries throughout the world. In the process, the agency creates insights to enable HR leaders to attract and retain talents. The data from these 23 countries show that 29% of all employees leave their jobs because they experience a limited career path, and 37% of employees consider leaving the organization because of low compensation, whereas 46% of all employees stay with an organization because it provides a good work–life balance (Randstad Award—India Country Report 2015).

While the views of the future workforce about what makes a workplace attractive have been very important for manufacturing and engineering companies in attracting a highly educated and skilled workforce, existing employees still remain the most important group in the context of efforts to make work more attractive. The existing workforce of any organization has the necessary insight, knowledge and close-up experience of the work, knowledge that can contribute to making the workplace attractive in the long-term perspective (Hedlund 2007). Existing employees' perspectives about attractive work have remained most crucial, as these perspectives affect the organization's sustainability in the long run. Hedlund and Pontén (2006) define work as attractive if a person is interested in applying for such work, wants to stay and is engaged in the work. Historically, it has been noted that when existing employees find the workplace attractive, they feel more committed to the organization, have greater job satisfaction and have less incentive to leave the job.

The attractiveness of a workplace cannot be measured by using objective parameters. It has to be measured by taking into account the experiences or perceptions of existing employees about the workplace, its environment, culture and values. Measurements of employees' experiences have been used in the analysis of

a wide range of job factors, for example, management of change, opportunities to develop oneself at work and social climate (Seppala and Klemola 2004). When several researchers talk about evaluating attractive work by means of the subjective experiences and expectations of employees, one thing becomes clear: that employees are individuals who judge the attractiveness of the work and workplace based on their needs and life situations. Hedlund (2007), in his effort to identify some characteristics of attractive work, reports that the attractiveness of work can be dynamic, i.e. the attractiveness of a job may change over time with changes in the personal needs of the employee. A part-time job or a flexitime job may appear to be very attractive for an individual with small children, whereas when the children have left home, a job with career opportunities may look more attractive. Thus, workplaces which give employees the opportunity to combine work and family/personal needs seem to be universally attractive workplaces, as compared to those which do not offer such opportunities.

A good work environment has been identified as one of the parameters of an attractive workplace from the perspective of young people who want to work in engineering industries (see Hedlund 2007). Improvements in the work environment have been an important starting point for change directed at creating more attractive work. Assessments of work environment have indicated the possibility of several tangible improvements both in the physical work environment and in conditions relating to the psychosocial aspects of work. Surveys of employees' experiences of changes in the attractiveness of work also indicate a positive trend. Work environment projects, therefore, seem to be a viable starting point for small engineering companies in their endeavour to create more attractive work. Implemented changes have also clearly helped reduce risks in the workplace (Åteg et al. 2009).

Judge and Cable (1997) report their findings on the relationship between organizational culture preferences and individuals' attraction to organizations and their job choice decisions. They argue that job seekers are attracted to organizations that they perceive have cultures that fit with their own values, needs and preferences. Thus, the organization's culture should be accommodative of values that will attract a diverse population of qualified job applicants, irrespective of their gender, ethnic identity or nationality.

The choice and preferences of attractive workplaces can be affected by gender as well. Catanzaro et al. (2010) report that gender interacts with organizational culture to influence applicants' attraction towards a particular organization. Although prospective male applicants tend to pursue a job with a competitive organization more often compared to female applicants, the majority of men and women report a stronger interest in working for a supportive organization, irrespective of the salary offered.

The available research on attractive work suggests that the concept is multi-faceted. The understanding of attractive work can vary widely depending on the perspective of the individual employee who is assessing it. While potential employees and existing employees are the two most visible groups who may have different perspectives on attractive work, demographic characteristics like age, education and the socio-economic context of employees might have a significant

influence on their understanding of attractive work. At a macro-level, organizational context, like type of industry or sector, the national/sociocultural context of the organization and context of gender equality of the organization are potential contributors that may influence the conceptualization and understanding of attractive work. In this book, the authors present attractive work in the context of two different countries, namely, India and Sweden, across various types of sectors. The following section highlights the understanding of attractive work from the two countries' perspectives.

### **1.3 Attractive Work in the New Economic Context of India**

It is only since 1991, mainly after economic liberalization, that India has captured the attention of foreign firms and investors. The last 25 years have thus seen an influx of MNCs and foreign direct investment into the Indian economy. However, in the last few years, the 'Make in India' drive and a conscious focus on attracting foreign investment and business collaborations have brought a second wave of market enthusiasm. In the newly emerging global economic context of India, attracting and sustaining the workforce have emerged as a major challenge for the HR departments of organizations. Particularly in the booming information technology (IT) sector, which is a part of the global economy and guided by the norms and regulations of global governance, organizations are struggling hard to make the workplace attractive and provide attractive work to employees so as to attract and retain a quality workforce. Multinational enterprises (MNEs) and global companies are also striving for high-level commitment and satisfaction on the part of their workforce through changing the focus of their HR practices. In this process, organizations have started to take cognizance of the sociocultural characteristics, ambitions and expectations of their workforce.

Jain et al. (2012) look critically at HRM practices in the new economy of India that attempt to make workplaces attractive for prospective employees. Whereas India has had a long history of human resource development (HRD) functions, the influx of MNCs into the country has resulted in the need for a fresh look at and modification and updating of HR practices in Indian organizations (Pichler et al. 2012). Whether it is a question of addressing diversity management issues, like recruiting and retaining diverse workforces, most predominantly women (Haq 2012) and people with disabilities or retaining expatriates in MNCs (Pichler et al. 2012), HRD functions have to gear up to attract and retain these workforces in the organization. As MNEs in the globalized world start to depend more on global teams rather than individuals (Brewster et al. 2003), closely coordinating international HRM has become more pertinent to attracting and retaining individuals with interest in international work, developing global leaders, reducing repatriate turnover and enhancing expatriate effectiveness.

Addressing the challenges for HRM in the context of the globalized economy, researchers have identified factors that significantly contribute to turnover intention and employee commitment, which are seen as indicators of an attractive workplace. Research results from studies trying to assess the required changes in HRD functions in India report that work engagement and innovation can be critical for turnover intention (Bhatnagar 2012), whereas gaining employee trust has been suggested as a factor enhancing employee commitment (Nambudiri 2012). Moreover, recognition of employees' prosocial behaviour has been considered to be effective in enhancing in-role performance, which reduces employee turnover (Biswas and Varma 2012).

Studies carried out to understand perceived high organizational performance and the desirable workplace from employees' perspective highlight the importance of the Asian context being different from other parts of the world. Singh (2004) surveys 82 Indian firms and finds a significant relationship between two HR practices—professional development and reward systems—and perceived organizational and market performance. A Corporate Leadership Council (2006) study on HR practices included 58,000 employees from 90 member organizations and 10 countries. The study reported the respondents' top five ratings of various practices that enhanced their psychological commitment to their organization. People management, recognition and development opportunities were more important to employees in India and the UK than in the US, with meritocracy seen as least important in India. Gong and Chang (2008), from another Asian context, report almost similar results, suggesting that provision for career opportunities was positively related to employee organizational commitment, citizenship behaviour and firm performance. A recent country report based on 9000 employees from different sectors says that 47% of the Indian employees interviewed ranked salary as the number one workplace motivator. It also reports that 22% more women than men value convenient location of the workplace as a top motivator (Randstad Award—India Country Report 2015).

Good career development opportunities, scope for innovation, recognition and people management in terms of handling a diverse workforce and gaining the trust of employees seem to be important HR practices that result in higher commitment, lower turnover intention and high performance of employees in India.

## 1.4 Attractive Work in the Swedish Context

Sweden has been a world pioneer in addressing work–life issues and work environment. Employees' health concerns at the workplace and the importance of work–life balance have long been debated in the Swedish work context. Abrahamsson and Johansson (2013) critically discuss the concept of the psychosocial work environment in Swedish policy and research during the last 100 years. The term 'psychosocial' was first used by the psychoanalyst Erik Erikson in 1959, although socio-psychological problems among girls employed in factories



had been discussed by the Austrian-British social psychologist Marie Jahoda earlier in 1941. With the enactment of the Work Environment Act (SFS 1977:1160), the psychosocial work environment assumed a definite place in Swedish discussions about the work environment. This act stressed a holistic view and gave prominence to the psychosocial and work organizational aspects of the work environment for productive work. Recently, a new regulation focusing upon organizational conditions has been implemented in Sweden (AFS 2015, p. 4). This organizational perspective has also been applied in projects that aim at making working conditions for managers in the public sector more attractive (Arbetsmiljöverket 2015).

Today, the concept of work environment has become very relevant. This concept refers to the interaction of people with their surroundings, which means that people are affected by their work environment, and also think about how to develop their work environment (see, e.g. AFS 1980). In Sweden, there is a broad agreement regarding useful guidelines for achieving good working conditions, in which the psychosocial work environment plays an important role (see, e.g. Abrahamsson et al. 2003; Abrahamsson and Johansson 2008; Theorell 2003; Thylefors 2008).

A good work environment is one that gives autonomy and a sense of participation to employees, eliminates their experience of physical risks and problems and provides work sites with advanced equipment adapted to people's different physical and psychological make-up and designed to make work easier. A good working environment is a facilitator of variety, opportunities for social interaction and learning opportunities, and all this helps in personal and professional development. It is also characterized by gender equality, fairness, respect, trust, democratic leadership and good opportunities for social support. It is also important to have a balanced and sustainable life outside of work. The quality of the work environment can affect the life of employees outside the workplace. In 2008, a Swedish government report (DS 2008: 16, cited in see Abrahamsson and Johansson 2013) stated that the development of new technology and organizational changes are the most prominent factors enhancing productivity. However, recent trends in creating a good psychosocial environment in the organization follow Spector (1986), who observed that a good psychosocial work environment leads to improved physical and psychological health, greater enjoyment, fewer sick leaves, stronger commitment and better performance.

The psychosocial work environment includes three large areas:

1. 'Health/Illness': The focus here is on health problems that can be cured. Core themes are stress, motivation, needs and attitudes.
2. 'Management and Development': This focuses on opportunities which can be utilized for the management and development of the organization, groups and individuals.
3. 'Problematization': This highlights critical analysis, questioning and complementary understanding of different phenomena within the psychosocial work environment, such as alienation, the power system, opposition and inequality (Abrahamsson and Johansson 2013; Aronsson et al. 2012).

In Sweden, the new concept of ‘self-cleaning’ is being accepted by organizations seeking to make work life more satisfactory. This concept proposes that the organization should first stop harming its employees/stakeholders in order to maintain a healthy work environment (NCC 2012; Prevent 2012). A ‘Nordic variety’ of work life is being developed, which stresses a holistic approach that includes workplace design, influence, participation and autonomous groups (Johansson and Abrahamsson 2009). Thus, organizations and their stakeholders have come to a consensus about the new work environment concept, which includes organizational and professional development and the psychosocial work environment. These issues are now making their way into the political agenda (see Abrahamsson and Johansson 2013).

Abrahamsson and Johansson (2013) in their critical review paper ‘One hundred years of inertia: an exposé of the concept of the psychosocial work environment in Swedish policy and research’, conclude that it is now time in Sweden to create a new vision for the work environment, in which work is seen as a source of health and wellness and the focus is not on illness and psychosocial work environment problems. Work should be an important part of developing ourselves as creative people, and employees should be allowed to enjoy their work as healthy and intellectually robust people.

## 1.5 Factors Influencing Perception of Attractive Work in India and Sweden

A comparison of Randstad country reports for India and Sweden in 2015 shows that in India, salary, employment benefits and long-term job security were accorded topmost priority when choosing an employer by 54 and 49% employees respectively. In Sweden, pleasant working atmosphere and interesting job content were ranked as the top two reasons for choice of employer by 61% of employees in each category. Interestingly, 51 and 49% of all employees in Sweden chose salary benefits and long-term job security respectively as the third and fourth most important reasons for choosing an employer—percentages that are very similar to those observed for these categories in India. In India, 39% of potential employees ranked good work–life balance as the third most important factor, while 39% of employees ranked pleasant work atmosphere as the fourth most important reason for choosing an employer. Only 23% of employees in the Indian sample reported that they would like to choose an employer on the basis of interesting job content. This factor was ranked 12th in the order of priorities. Strong management in the organization was considered an important factor by 30% of Indians, as against only 15% of Swedish participants (Randstad Award—India Country Report 2015; Randstad Award—Sweden Country Report 2015). The data reported by the Randstad Corporation indicate the country-wise differences between a well-established economy and a developing economy.

Asked about the major reasons for leaving their jobs, 36% of employees in India reported lack of career growth opportunities, 30% identified low compensation as their reason for quitting and 23% said lack of work–life balance was a major factor in their decision. Swedish employees reported not finding the job interesting (28%), poor leadership of the organization (28%) and low compensation compared to other jobs (28%) as their major reasons for quitting (Randstad Award—India Country Report 2015; Randstad Award—Sweden Country Report 2015).

Combining the factors identified in these reports as making a job attractive and the factors that made employees leave their jobs, we find that perception of the job as interesting was very significant for Swedish employees (potential or existing), whereas for Indian participants, salary benefits and career opportunities emerged as major deciding factors. In addition, work–life balance was identified as a major factor in attracting and retaining Indian employees.

## 1.6 Attractive Work Across Types of Industries/Sectors

Attractive work has been conceptualized and studied in different ways in the context of different sectors of work or types of industry. Often, in existing organizational/HR literature, ‘industry’ and ‘sector’ are used interchangeably. Thus, it is important to talk about the differences and similarities between sectors and industries. The terms ‘industry’ and ‘sector’ are often used interchangeably to describe a group of companies that operate in the same segment of the economy or share a similar business type. However, these terms have slightly different meanings. This difference pertains to their scope: a sector refers to a large segment of the economy, while the term ‘industry’ describes a much more specific group of companies or businesses:

A sector is one within which a large group of companies can be categorized. An economy can be broken down into about a dozen sectors, which can describe nearly all of the business activity in that economy. An industry, on the other hand, describes a much more specific grouping of companies with highly similar business activities. Essentially, industries are created by further breaking down sectors into more defined groupings. For example, the financial sector can be broken down into industries such as insurance industries and life insurance (Langager 2017).

The research reported in this book is based on a comparison of four sectors, namely, the manufacturing sector, the IT sector, the education sector and the health sector, across two countries, i.e. Sweden and India.

Bradley and Woodling (2000) discuss attractive work in the knowledge-based industries, describing how future business intelligence can be accommodated in terms of new work space and work time challenges by the management and design of the industry. To make work attractive for employees, knowledge-based business like the IT and communications sector, where groups, teams and individuals can work independently of location, time and place should be able to cater to diverse work patterns. Organizations must learn to support people who may ‘belong’ to

several networks or teams, connecting with different organizations in different places at different times (ibid.). Marks and Huzzard (2008) investigate the notion of the attractive workplace in the specific context of creative professional employment, examining the IT sector in Scotland. Generally, workplace attractiveness for IT professionals has been considered pertinent due to the globalized business context of the IT industry and its young, aspiring, technocratic workforce who are in demand and move ever faster along the career ladder. While the intrinsic rewards of an autonomous work environment are still significant for the IT professional to see the workplace as attractive, Marks and Huzzard's study (ibid.) shows increasing importance being attached to certain extrinsic rewards as well. The right work–life balance, flexible hours (on employee terms) and certain employee benefits having to do with time off work emerged as more important determinants than pay as an extrinsic reward. Moreover, the employees reported a more negative identification with the organization when the latter undermined employees' opportunities for professional development or creativity. Marks and Huzzard suggest that the professional technology worker, and by implication professional technology work, may be reaching a stage of maturity or perhaps middle age, which runs contrary to previous notions of the employee and work within the industry. While satisfying creative needs remains an important component of the attractive workplace, the extrinsic reward of an acceptable work–life balance is becoming increasingly important as the age profile of the technology worker changes.

An important component of attractive workplaces is a safe environment. Industries seen to be dirty, dangerous and located far away from local communities are workplaces that struggle with the challenge of attracting and retaining employees and making the workplace attractive. The mining industry has been one such workplace, and the concept of the attractive workplace has been much explored in this context. Researchers like Sanda et al. (2011); Johansson and Johansson (2014) have extended the conceptualization of attractive work to a future-oriented attractive work environment and organizational activity in deep mines, and have come up with suggestions for 'the new attractive mine'. When discussing the challenges faced by the mining industry in recruiting skilled workers from larger communities located far away from the mines, breaking down the unequal gender balance that exists in most mines has been seen as a major component of the attractive workplace. It is suggested that greater gender equality may reduce the prevailing macho culture, helping to create a safer and more productive environment (Abrahamsson and Johansson 2006, 2008). In order to make the workplace attractive for people working in deep mines, a good and safe workplace can be envisioned that covers the entire value chain, including environmental issues and supporting good working and social conditions towards increased human productivity. Sanda et al. (2011) see cooperation, skills development and gender equality as the key components of a future-oriented attractive work environment in the mining industry. On this perspective, both youth and women might view mining activity as an attractive job with a safe work environment, and this could go a long way towards addressing the unequal gender balance that exists in most mines today.

The shortage of care and nursing staff is a global problem of growing significance. Thus, the healthcare sector is another context that has been studied extensively to understand how to make the workplace attractive for care providers. In an attempt to gauge what aspects of work most strongly influence the attractiveness of an employer in elderly and care homes, and the extent to which the attracting factors differ between employees with or without a managerial role, an employee survey was carried out among 1491 permanent staff members from care homes in eight Swiss cantons (CURAVIVA Schweiz, Old Age Department 2011). Results suggest that working conditions, work activity, relationship with the institution's management and relations with the direct line manager have a significant influence on employer attractiveness. However, while work activity with its development possibilities is the strongest attracting factor for managers, working conditions were found to be the strongest factor for employees without a managerial role. This large-scale survey suggests that job satisfaction has a strong influence on the perceived attractiveness of the job. Also, the study suggests that attractiveness of work is closely linked to the concept of commitment, since the culture of the business and the senior management are central factors in attractiveness.

Problems in recruiting and staffing and skill shortages in healthcare are drivers of research in the field of nursing in Australia, where most research focuses on a set of work issues related to the retention of nurses, known as Magnet characteristics. The Magnet programme seeks to identify the organizational characteristics of hospitals that work to retain and attract nurses by providing a good environment for the practice of nursing, and provides a framework for assessing nurse work environments. More specifically, the Magnet Recognition Program (McClure and Hinshaw 2006) assesses hospitals with reference to a set of standards based on organizational elements that have been found to serve as magnets for professional nurses: that is, these organizations are able to attract and retain a staff of well-qualified nurses (McClure et al. 1983). It is not the Magnet hospital label per se (or any other label) that is important; rather, the elements identified as good practices in the healthcare sector for attracting and retaining nurses are the universally relevant concepts of good-quality care, scope for continuing education, professional autonomy, effective staff deployment and job satisfaction (Buchan 1999). Rodwell and Demir (2014) undertake a comparative assessment of different sectors of healthcare organizations in Australia based on particular sets of practices to make the workplace attractive. They conclude that Magnet-style characteristics are instrumental in creating attractive workplaces, since they have implications for nurse burnout, satisfaction, organization climate, intention to leave and turnover (Laschinger et al. 2001; Leiter and Laschinger 2006; Stone et al. 2007).

Based on the existing literature which talks about attractive work and workplaces across different types of industry, like the engineering, mining, healthcare and knowledge-intensive sectors, we can identify several parameters of work attractiveness. These parameters range from a safe and good work environment to gender-equal workplaces, workplaces that take care of their employees and those that provide employees prospects for career growth as well as autonomy. Additionally, in the knowledge-intensive industry (IT and communications), it is

important that the organization should know how to support diversity in the workforce and in work teams, and also handle the challenges of working with people from different places and at different times to make the workplace effective.

Stumph et al. (2010), on the basis of their research on 32 units of 28 companies operating in India in the manufacturing, IT and services industries, report on employee perceptions of the effectiveness of three specific HR practices and the relationship of these practices to career success, performance and potential. The findings highlight differences in perceptions of HR practices among national, international and global companies, and also among the IT, manufacturing and services industries. Stumph et al. (ibid.) also conclude that the relationship of perceived HR practices and organizational outcomes are partially contingent upon the organization's geographical location and the industry sector to which it belongs.

It is evident that different industry sectors differ with respect to the perceptions and practices of various organizational indicators that promote a workplace as attractive to existing employees. The differences among industry sectors can be as pertinent as the differences between national cultures, or between local and global companies in their strategies to make the workplace attractive.

## 1.7 Concomitants of an Attractive Workplace

Attractive work and workplace have implications in terms of generating interest among quality employees to seek recruitment in an organization (Hedlund and Pontén 2006; Rodwell and Demir 2014; Sanda et al. 2011), and result in increased job satisfaction, organizational commitment, decreased intention to leave and decreased turnover of existing employees (Laschinger et al. 2001; Leiter and Laschinger 2006; Stone et al. 2007). The degree to which employees find their organization attractive is closely related to their organizational commitment. Organizational commitment concerns identification and involvement with the organization, including, e.g. employees' desire to remain in the organization, and their acceptance of the organization's goals and values (Backhaus and Tikoo 2004; Crewson 1997). Other aspects that have been explored in relation to attractive work include performance, and the intention to stay or leave an organization.

It is important to examine whether organizations that work with employer branding achieve better performance (Backhaus and Tikoo 2004). Wallace et al. (2014) identify the changing factors that attract people to certain kinds of employment and industry. They emphasize the importance of aligning employer branding with employee branding to create a strong, genuine and lasting employer brand. While organizations have long used marketing and branding practices to engender loyalty in their customers, they are increasingly expanding this activity to differentiate themselves from other organizations and make themselves attractive from an employee perspective. A number of qualitative and quantitative studies exist on employer branding and its relationship to attracting and retaining staff. Kucherov and Zavyalova (2012) examine Russian companies and MNCs in Russia

in industries such as IT/telecommunications, professional services, oil and gas and banking. Companies with a strong employer branding were found to engage in more collaborative decision-making with their staff and in supportive management processes, thus projecting a positive image to the internal and external labour markets. Kuchеров and Zavyalova conclude that organizational culture and experiential benefits are the main attractors for current and potential employees in their study. Microsoft, Sony and Samsung have been the top three companies winning the global Randstad award for the most attractive employer in recent years (2014–2016). When employees responded about the strengths of these organizations, they rated salary, career progression, pleasant working atmosphere, interesting job content and strong leadership/management as important in their choice of these companies as best employers (Global Randstad Award 2015).

## 1.8 Making the Workplace Attractive Through Organizational Values

In addition to understanding the attractive workplace as a safe, good and supportive work environment, it has been proposed that through promotion of specific organizational values, organizations can make themselves attractive. Turban and Greening (1996), in their research note on corporate social performance (CSP) and organizational attractiveness for prospective employees, emphatically highlighted the then upcoming trend of research in which socially responsible actions of organizations were studied in connection with their successful financial performance and consumer decisions, ultimately developing a positive image for the organization that yielded competitive advantage by attracting a higher quantity and quality of HR. Since the beginning of the 1990s, several scholars have argued that attracting and retaining superior HR can provide organizations with a sustained competitive advantage (Lado and Wilson 1994; Pfeffer 1994; Randstad 2014, 2015; Wallace et al. 2014; Wright et al. 1995). It has been suggested that initial applicant attraction to a firm is based on the organization's image, which is thought to be influenced by its CSP. In the 1990s, companies like IBM, General Motors and Microsoft had started sending out brochures to prospective applicants promoting their organizations' philanthropic and environmental programmes, indicating that some firms have been using social responsibility as a recruitment tool (Poe and Courter 1995).

Turban and Greening's (1996) research draws on the proposition from social identity theory (SIT) that an employee's self-concept is influenced by his/her membership in an organization (Ashforth and Mael 1989; Dutton and Dukerich 1991). Their results indicate that independent ratings of an organization's CSP are related to ratings of the firm's reputation and attractiveness as an employer. These findings can be explained on the basis of SIT. Organizations with CSP would have better reputations and would be seen as attractive employers because potential

applicants would expect to have more positive self-concepts when they work with such firms. However, it is suggested that CSP may be less attractive for applicants with few choices; for example, an applicant with only one job opportunity may not be influenced by CSP. Turban and Greening (1996) further suggest that it is mostly top-quality applicants, who are pursued by many organizations and typically have many choices, who are influenced by an organization's CSP in making their decision. Thus, CSP provides competitive advantage in attracting high-quality prospective applicants on the job market.

In the fierce war to own employees who are skilled, creative and driven to satisfy customers, it is increasingly becoming evident to companies that success comes from being able to attract, motivate and retain a pool of talented workers. Talent management has evolved as the most challenging issue for HR professionals. Bhattacharya et al. (2008), in suggesting how corporate social responsibility (CSR) can be used effectively to win the war of talent, cite innumerable examples to support the growing evidence that a company's CSR activities comprise a legitimate, compelling and increasingly important way to attract and retain good employees. They suggest that CSR initiatives can be used as an internal marketing lever by the organization to attract and retain employees by strategically working on the barriers which stop effective CSR in the organization. In order to use CSR as a strategy to make the workplace attractive, Bhattacharya et al. suggest that CSR strategies must be based on a clearly articulated and contingent input-output perspective. The strategies must also satisfy varying employee needs, encourage employee identification and be co-created with employees. Particularly, CSR can be most effective when existing employees are given a chance to enact it and the organization becomes the enabler. On the basis of a managerial survey, Maignan and Ferrell (2001) extend this research to the potential effects of CSR on employees. They show the existence of a positive relationship between proactive corporate citizenship and employees' commitment. A recent industry survey indicated that 50% of American students want to work for a socially responsible company because of the subsequent opportunity for self-fulfilment and better morale (Barrett 2001). Another poll showed that 27% of Swedish graduates (and 19% of French graduates) considered the social utility of the company and yet another 25% its commitment to environmental protection as criteria for choosing their future employer (Reverchon 2000, cited in Maignan and Ferrell 2001).

There is growing evidence that a company's CSR activities comprise a legitimate, compelling and increasingly important way to attract and retain good employees. Jim Copeland Jr, former chief executive officer (CEO) of Deloitte Touche Tohmatsu, says: 'The best professionals in the world want to work in organizations in which they can thrive and they want to work for companies that exhibit good corporate citizenship' (see Bhattacharya et al. 2008). India made CSR mandatory by law in 2014. Indian prime minister Narendra Modi, on the occasion of India's Independence Day on 15 August 2014, called on the CEOs of Indian corporate houses to pledge to contribute to national growth by honouring the CSR law.



Corporate social responsibility initiatives reveal the values of a company, and thus can be a part of employee value proposition. Recent studies indicate that this is the lens through which managers must view talent management today. Corporate social responsibility also humanizes the company in ways that other facets of a job cannot. It depicts the company as a contributor to society rather than as an entity concerned solely with maximizing profit. Employees' attitudes and behaviours are affected by their organization's CSR. Preliminary research has demonstrated that individuals would rather work for an organization known for its proactive CSR (Turban and Greening 1996). Furthermore, according to the results of a survey of the Conference Board, volunteer programmes (discretionary citizenship) improve employees' productivity and morale and foster teamwork, skill building and decision-making (Leonard 1997). Corporate social responsibility practices significantly influence employee engagement (Foster and Jonker 2005).

In the Indian context, the concept of internal CSR is popular; however, the understanding of internal CSR and work–life balance for employees overlaps. A trend of expansion of the scope of CSR is in evidence. Earlier, in India, CSR was associated with purely philanthropic endeavours, but now incorporates ideas of community development and sustainability, especially in areas in immediate proximity to manufacturing and industrial plants/factories.

Over the last decade, there has been an intense discussion of and concern regarding the issue of gender equality across the globe. The Global Gender Gap Index, which measures the division of resources and opportunities among males and females across all countries, ranks countries in terms of four variables: economic participation and opportunity, educational attainment, political empowerment and health and survival. Nordic countries such as Iceland, Norway, Finland and Sweden are at the top of the ranking for gender equality, whereas in Asia, the Philippines and Sri Lanka top the list. India lags behind, with a global rank of 112 (see Global Gender Gap Index at Country Watch—India 2015). The India Country Review (ibid.) reports that Indian women work more than men for less money, and mostly their work is not recognized by the society. In India, women are treated as a liability for men. Women still do not take part in making decisions relating to higher education, marriage and work. In spite of the Constitution of India ensuring equal rights to women, the social legislation envisaging female empowerment has been poorly enforced (Saini 1999).

Mahapatro (2014) argues for gender mainstreaming as a key strategy to promote gender equality. Although men and women have different needs, they have the same fundamental rights. Thus, their contribution to socio-economic development as producers and workers has to be recognized. Gender mainstreaming is a holistic strategy which introduces the gender sensitivity and equality perspective into all policies at all levels and at all stages (Council of Europe 1998). Mahapatro (2014) argues that a change in philosophy requires the conceptualization of gender within culturally defined roles, constraints and potentialities, which could then work as a key to establishing gender values firmly at all levels and in all sectors.

In order to measure patterns of gender equality and psychological distress at the workplace, an analysis of the Northern Swedish Cohort was supplemented with

data about participants' workplaces in a study by Elwer et al. (2013). The results emphasize the importance of utilizing a multidimensional view of gender equality to understand its association with health outcomes. Health policies need to consider gender equality at the workplace level, as it is important to reduce the difference in health outcomes for men and women (ibid.). Mandel (2011), in her review article 'Rethinking the paradox: tradeoffs in work–family policy and patterns of gender inequality', argues that although most comparative studies on welfare states and gender inequality highlight the favourable aspects of work–life policies for women, the reality can be different. She and her colleagues report unanticipated and negative consequences of work–family policies for the occupational attainments of women and consequently for the gender wage gap.

India is increasingly portrayed as a 'high globalizer' and a 'poster state' for globalization (Rato 2007). But the question that bothers academicians and researchers is to what extent a population differentiated by gender is able to partake in integration and growth and sustain the fast-growing and globally integrating economy of India (Arora 2012). As Budhwar et al. (2005) point out, women in India do not enjoy a good status in workplace settings, whether in managerial or operative roles. The traditional positioning has restricted the intensity of women's efforts toward realizing the benefits of globalized business processes. In the last decade, rapid global changes have taken place in concepts of work, workplace and workforce (Gothoskar 2000; Jhabvala and Sinha 2002), with the result that equality for women in the workforce is being envisaged in India. Based on two large-scale studies on women in management in the new economic environment of India, Budhwar et al. (2005) report that, notwithstanding the systemic, social and attitudinal barriers, Indian women have begun to feel more than just a semblance of equality, including in managerial roles. The authors observe that, along with a facilitative social context, workplaces need proactive organizational and HR policies and support from top management to implement gender equality. Research conducted in the Steel Authority of India Ltd (SAIL) to this effect reports that SAIL is expansively initiating gender-responsive practices under the purview of CSR. Although it provides equal opportunity of employment to both men and women, the gender employment ratio is very low. While CSR policies promote women's empowerment within the organization and in the society, leading organizations like SAIL should also develop specific policies for initiating activities for promoting gender equality at the workplace as well as in the society (Bora 2012).

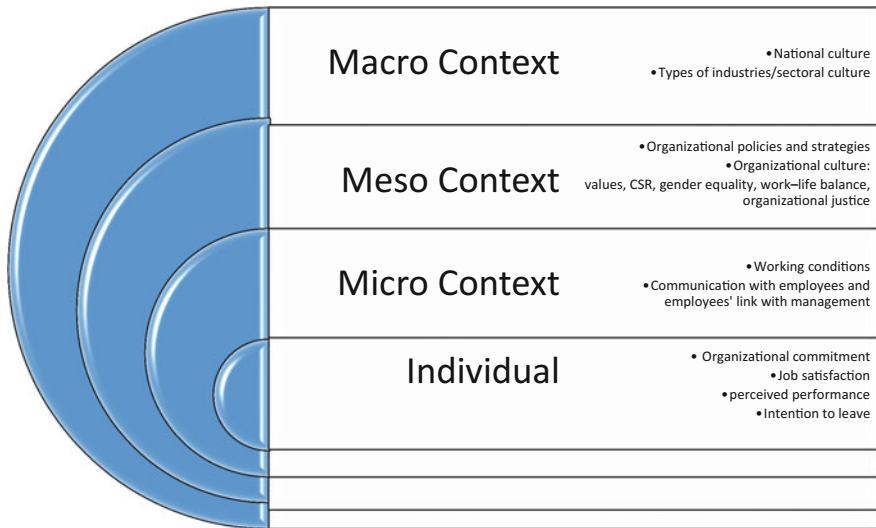
There is thus an urgent need for extensive research on gender equality as a value and as policy at workplaces across different sectors in countries ranked high and low in terms of the gender gap. This is necessary to understand the role of gender equality in contributing to the performance and commitment of employees. It is important to discover the changing face of gender relationships in the workplace context of a fast-globalizing and growing economy like India, relative to a stabilized and traditionally gender-equal country like Sweden.

Some studies provide evidence connecting job satisfaction and intention to stay (which are treated as indicators of attractive work) with organizational values. Fields et al. (2000) examine the extent to which employee judgements about

distributive and procedural justice predict job satisfaction, intention to stay and evaluation of supervision in Hong Kong. The research reports that both procedural and distributive justice were found to be important for predicting employee outcomes like intention to stay and job satisfaction, although procedural justice was perceived a little more favourably. Similar studies among employees in the US report that employees perceive fairness in reward allocation (distributive justice) and procedural justice as having a significant effect on outcomes such as job satisfaction, evaluation of supervision, organizational commitment and intention to stay with an organization (Folger and Konovsky 1989; McFarlin and Sweeney 1992; Sweeney and McFarlin 1993, 1997). Fields et al. (2000) also discuss the different ways that perceived procedural and distributive justice affects employee outcomes in Hong Kong and the US, suggesting that the national culture of collectivism or individualism might influence these differences.

Baker et al. (2006) provide evidence that increasing perceptions of procedural and distributive justice are positively associated with employees' affective commitment to the organization, which in turn is associated with lower turnover. In times of increasing employee turnover, this may be a critical factor in reducing such turnover, which is often a significant operational cost. Organizations are often unable to provide the level of rewards employees desire. However, higher levels of ethical values may be attractive enough to those employees who strongly share those values that it may mitigate the possibility of turnover. As organizational commitment increases, particularly among employees who may strongly share the ethical values espoused by the organization, one would expect ethical behaviour to increase. Employees' ethical behaviours may be associated with a number of positive outcomes like increased satisfaction and enhanced corporate reputation (particularly for employees who interact with external constituents), which in turn enhances employee commitment.

Findings from the available research that refers to or talks about attractive work can be summarized in the form of the model presented in Fig. 1.1. Here, the first level represents the macro-context. The culture of the nation/country or the sector/type of industry in which the organization is nested seems to affect employees' perception of attractive work. Hofstede and Bond's (1988) work on prevailing distinct cultures in organizations, as well as across nations, has inspired a plethora of comparative research studies across various countries to understand the multi-level cultures operating in organizations. Hofstede's work has been criticized as being ethnocentric. Other studies indicate the existence of other types of culture, besides national culture, which may affect organizational behaviour (Gelfand et al. 2007; Singh et al. 2008). The culture, processes and strategies of any organization are embedded in the socio-historical and economic context of the nation. Similarly, the type of sector determines the job context and demands. Thus, different criteria may seem attractive in different types of workplace contexts; for example, what makes work attractive in a small manufacturing company may differ from the criteria which make a workplace attractive for healthcare workers.



**Fig. 1.1** Model of attractive work (Prepared by the author)

The second level of factors constitutes the meso context of attractive work. This context is nested within the national or sectoral culture, and operates as a set of more proximal influences for attractive work. These sets of variables work at the organizational level. Organizational policies and strategies, organizational culture and values play a major role in making the workplace attractive. Based on the existing literature, the values found to be pertinent in making work attractive include CSR, gender equality at the workplace, an organization’s support for work-life balance, and perceived organizational justice.

The third level of factors is located closer to the individual and influences his/her experiences in the job context on a day-to-day basis. These factors are included in the micro-context of attractive work. As indicated by the existing literature, these factors include working conditions, organizational communication with employees about the values and policies of the organization and the extent to which employees feel they are linked to managers and managers feel linked to higher management. Earlier research has suggested that psychosocial environment contributes to employee satisfaction and productivity in the organization (see Abrahamsson and Johansson 2013).

The fourth set of factors, are individual level outcomes, which get influenced by all the other factors pertaining to the micro-, meso- and macro-level contexts of the organization’s functioning. These factors are basically outcome indicators. The macro-, meso- and micro-level indicators of attractive work result in individual-level outcomes, including employees’ organizational commitment, job satisfaction, perceived competitive performance, level of stress experienced and

intention to leave. This model, where one layer is nested within the other, basically means that the factors are not mutually exclusive, and changes in a higher layer will influence the other layers.

The present book discusses attractive work from the perspective of India and Sweden, countries that are very different in the socio-historical evolution of their workforces and employees' expectations from the workplace. India has been traditionally an agrarian society; thus, labour market issues were not very pertinent in the arena of national growth and development till the 1990s. After this point, globalization, privatization and liberalization became the guiding stars of the national economy, and attracting and retaining employees in the competitive, globalized market began emerging as a concern. Additionally, the diverse workforce in India, in terms of age, gender, caste and ethnic and religious diversities, makes it more challenging for organizations to make the workplace attractive for these diverse groups of people. On the other hand, the workforce in Sweden has different socio-demographic characteristics. Labour unions and working conditions have been pertinent in the national economic context of Sweden. Swedish unions have been talking about good working conditions and good work from the mid-1980s (see Huzzard 2000). With globalization, the world is becoming free from national boundaries and growing borderless. And multinational organizations are being referred to as transnational organizations, where global viewpoints supersede national issues (Bartlett and Ghoshal 1989). The present research studies many such organizations in the manufacturing and IT sectors in both countries. Thus, it is pertinent to seek to understand how culture influences organizational values and how it affects perceptions regarding the attractiveness and effectiveness of organizations.

Organizational culture can also have a profound effect on employees (Lei et al. 1990). Managers can promote ethical values by serving as good role models and by implementing organizational values in the day-to-day behaviour of employees. They can institute the philosophy that ethical behaviour makes good business sense, and make organizational values and ethics congruent with the larger values of the society (Trevino and Nelson 1995). This may be a strong factor in enhancing the attractiveness of the company among potential employees and increasing performance and commitment among existing employees. The book thus focuses on first-line managers' perceptions of organizational values and the attractiveness and effectiveness of their organization.

This book discusses the understanding of global organizational values like CSR and equal opportunities for men and women in the organization (EO) with regard to their attractiveness and effectiveness in the context of four different sectors (manufacturing, IT, health and education) in two countries in order to develop a multicultural perspective on attractive work.

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# Chapter 2

## Employer Branding and Attractive Work

### 2.1 Employer Branding and Attractive Work

As discussed in Chap. 1, organizations today face the essential challenge of being attractive employers, or employers of choice. Attractive organizations are associated with jobs that attract, develop, motivate and satisfy the needs and wants of employees. In order to become attractive employers that draw new talent and retain their best employees, many organizations are working strategically with the concept of ‘employer branding’ (Sengupta et al. 2015). Backhaus and Tikoo (2004, p. 502) define employer branding as ‘the process of building an identifiable and unique employer identity’.

In order to differentiate itself from other organizations and be identified with unique characteristics from the job seeker’s perspective, an organization has to promote organizational attributes that are considered attractive and that allow it to stand out from other organizations. From this perspective, employer branding can be understood as ‘the sum of a company’s efforts to communicate to existing and prospective staff that it is a desirable place to work’ (Lloyd 2002, cited in Berthon et al. 2005, p. 153). Thus, attracting, retaining and motivating existing and potential employees who can add value to the organization are an essential part of employer branding. Another essential aspect is aligning the employer branding strategy with the other branding efforts of the organization (like product and corporate branding) (Botha et al. 2011; Moroko and Uncles 2008).

### 2.2 Perspectives on Employer Branding

Earlier, a boundary existed between an organization’s internal and external aspects. External relations were handled, e.g. by the marketing, public relations and strategic planning departments. Middle and lower managers, HRM, accounting departments,

etc., handled the organization's internal issues (Hatch and Schultz 2003). Today, the external and internal functions of the organization are more or less integrated. The notion of 'branding', which originates from the field of marketing, is an example of a concept that is today used and understood from an interdisciplinary perspective.

Love and Singh (2011, p. 175) suggest that a brand 'is a creation of an impression and/or image through a process of changing and reinforcing what people say or believe'. A brand image considers 'feelings, impressions, perceptions, beliefs, and attitudes toward a company' and concerns individuals' beliefs about a product or a service (Hsieh et al. 2004, p. 252).

Originally, branding differentiated tangible products, but today's organizations engage in several kinds of branding effort. Corporate branding, e.g. 'concerns the systematic planned management of behaviour, communication, and symbolism in order to attain a favourable and positive reputation with target audiences of an organization' (Foster et al. 2010, p. 401).

Two decades ago, Ambler and Barrow (1996) suggested that branding could be applied to the employment situation. 'The term employer branding suggests the differentiation of a firm's characteristics as an employer from those of its competitors' (Backhaus and Tikoo 2004, p. 502). Based on principles of marketing, it 'provides a platform to HR managers in understanding employees' (Biswas and Suar 2014, p. 58).

Since Ambler and Barrow (1996) first introduced the concept, employer branding has been used mainly to develop organizations' external reputations. Given that the employer brand also has an impact on the expectations and experiences of existing employees, it became evident that an organization's external recruitment promises had to be aligned with the internal employee experience (Mosley 2007). Thus, the employer branding strategy has to consider potential employees as well as existing employees who know the organization from the inside.

Today, the interest in employer branding is significant. Practitioners in various countries, in both public and private organizations, work with employer branding to attract employees, but also to make sure that existing employees are engaged with the culture and goals of the organization (Backhaus and Tikoo 2004; Myrden and Kelloway 2015). Employer branding is much discussed in articles in the business and practitioner press and on social media. According to Backhaus and Tikoo (2004), the term 'employer branding' yielded 3000 hits in 2004 using search engines like Google or Yahoo! Today, in January 2017, the term 'employer branding' yields 41,90,000 hits on Google. Accordingly, academics from different disciplinary areas have become increasingly interested in the field of employer branding and are producing a growing body of research on the topic. One indicator of this interest may be found on Google Scholar, which identifies 119 academic papers which were published in 2016 and had 'employer branding' in the title.

## 2.3 The Concept of the 'Employer Brand' and Organizational Attributes

Even though not all organizations work strategically with employer branding, 'all organizations that employ people have an employer brand' whether they realize it or not (Arachige and Robertson 2013, p. 35). Due to the large interest in the field, there are many definitions of 'employer brand'. According to Backhaus and Tikoo (2004), an employer brand includes an organization's values, policies and behaviours, and gives the organization an identity that is embedded in the organizational culture. Ambler and Barrow (1996, p. 187) provided the initial definition: an employer brand is 'the package of functional, economic, and psychological benefits provided by employment and identified with the employing company'.

Accordingly, an employer brand can be seen a 'psychological contract' between an employer and employee (Foster et al. 2010; Moroko and Uncles 2008). A psychological contract exists only in the employees' minds, but it is based on formal and informal information received from the organization, and therefore 'represents an employee's perceptual agreement about the exchange relationship he/she has with the organization' (Mangold and Miles 2007, p. 426).

Researchers have tried to identify what makes an organization's employer brand attractive. There is not yet a common classification (Alniacik and Alniacik 2012; Kucherov and Zavyalova 2012). Lievens and Highhouse (2003) divide attractive attributes into instrumental and symbolic attributes, where instrumental attributes include, e.g. compensation and benefits, and symbolic attributes concern 'subjective, abstract and intangible aspects' like traits (e.g. sincere and friendly, trendy, innovative, successful, prestigious). Kucherov and Zavyalova (2012, p. 89) suggest the following classification of attractive attributes of an organization's employer brand:

1. Functional attributes including 'content of work, training perspectives, opportunities of career growth', etc.
2. Economic attributes including 'high salary, fair system of rewards and bonuses, stable guarantees of employment', etc.
3. Psychological attributes including a 'strong corporate culture, positive interpersonal relations in company, teamworking, and objective assessment of work'.

These three groups of attributes correspond to the 'package' of benefits included in the initial definition of employer brand quoted earlier (Ambler and Barrow 1996, p. 187). Kucherov and Zavyalova (2012) add organizational attributes as a fourth category. According to Kucherov and Zavyalova (ibid., p. 89), organizational attributes are attributes that relate 'to the perception of the company in the external market by different groups of stakeholders' such as reputation of consumer brands and reputation of top managers and management style.

Other researchers suggest similar categories of attractive attributes. In their research on potential employees (students), Berthon et al. (2005) also draw on

Ambler and Barrow's (1996) initial definition of employer branding. They identify five dimensions of the employer image that are attractive to potential employees. They suggest that interest value (e.g. the perception that an employer provides an exciting work environment) and social value (the perception that an employer provides a working environment that is fun and encourages good collegial relationships) correspond to psychological benefits; developmental values (the perception that the employer offers a springboard for future employment) and application values (the perception that the employer offers opportunities to apply knowledge and to teach others) correspond to functional benefits; while economic value consists in the perception that the employer offers an above-average salary (Berthon et al. 2005, p. 159).

Today, researchers and practitioners seek to capture what is considered attractive and valued by both potential and existing employees. Yearly reports from recruiting companies, e.g. investigate what constitute attractive attributes for potential employees. According to the research, perceptions of attractiveness seem to vary within and among different groups. First, existing employees seem to differ in what they perceive, appreciate and value in an organization. Second, existing employees and potential employees both seem to value attributes in different ways (Lievens et al. 2007; Maxwell and Knox 2009). Third, there may be a discrepancy between what job seekers want and what HR professionals think makes the organization attractive, or the construed external perspective (Maxwell and Knox 2009). For these reasons, it can be difficult to summarize the attributes that both attract potential employees and retain existing employees.

## 2.4 Employer Branding and Values

Organizational values are beliefs and attitudes that '[go] deep inside and constitute a collective understanding regarding norms and standards of behaviour acceptable in the organization' (Hassan 2007). Organizational values affect strategies, personnel policies and relationships with different stakeholder groups (Hunt et al. 1989; Valentine and Barnett 2003), and often involve normative standards that determine what is right or wrong within the context of the organization. Such ethical values are often institutionalized in organizations through codes of ethics and policies and procedures that define and encourage ethical behaviour among employees (Valentine and Barnett 2003). Therefore, it is reasonable to believe that such values are implicitly or explicitly communicated to existing as well as potential employees. Accordingly, ethical values are integral to organizations' employer branding process.

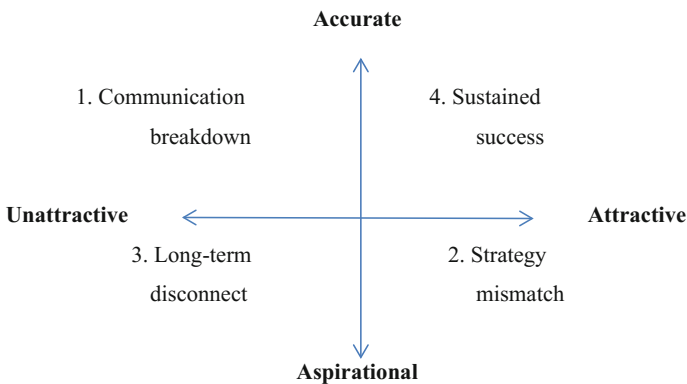
Another reason for organizations to integrate ethical values in their efforts towards employer branding is so that 'employer branding can be transformed into a sustainable and trustworthy value creating process' that will create value for all stakeholders and not only for the organization (Aggerholm et al. 2010, pp. 107, 109).

## 2.5 The Process of Employer Branding from an HRM Perspective

Research suggests that if an employer brand is to be successfully developed, it should: (a) be consistent with the realities of the organization and be based on the organization’s values, systems, policies and behaviours; (b) be unique, helping to differentiate an organization from its competitors; and (c) be attractive to both potential and existing employees (Backhaus and Tikoo 2004; Maxwell and Knox 2009). Based on their findings, Moroko and Uncles (2008, p. 173) present a typology of characteristics of successful employer brands, which can be used by researchers as well as practitioners (see Fig. 2.1).

According to Moroko and Uncles (2008), attractiveness and accuracy are the two dimensions that are important for a successful employer brand. They define attractiveness in terms of three concepts: awareness, differentiation and relevance. This entails that the employer brand is known among potential employees (awareness); that potential employees can differentiate employers from each other; and finally that potential and existing employees are attracted to an employer whose value propositions they find relevant. Accuracy is defined as the ‘consistency between the employer brand and employment experience, company culture and values’ (ibid.). Moroko and Uncles describe the strategic issues that organizations may face during the different stages of developing a successful employer brand:

1. Communication breakdown: The organization has an attractive employer brand, but potential employees do not immediately identify the organization as a possible employer because, e.g. the employer brand involves value propositions that conflict with the organization’s other brands (corporate and/or consumer brands), or because the organization has not been able to distinguish itself from other competing organizations. The communication about the employer brand



**Fig. 2.1** A Typology of Characteristics of Successful Employer Brands (Redrawn from Moroko and Uncles 2008, p. 72)

by the organization and the employees perception of it are in line when there is ‘consistency between the employer brand and employment experience, company culture and values’ (Moroko and Uncles 2008, p. 160).

2. Strategy mismatch: The organization attracts the right employees, but is not able to deliver its EVP to existing staff.
3. Long-term disconnect: The employer brand is not seen as attractive by potential employees, and the employment experience of existing employees is not sufficiently robust to retain staff.
4. Sustained success: This is the most desirable situation, where potential employees are attracted to the organization and ‘their experience matches the perception they formed during the recruitment process’ (Moroko and Uncles 2008, p. 173). Such an organization can attract and retain the best candidates.

For organizations to reach sustained success (stage 4 in Moroko and Uncle’s typology), the HR function is central. From an HRM perspective, researchers suggest that the process of employer branding involves three steps. The first step is to develop a value proposition, which is the central message of the employer brand. To do this, the organization has to examine what is important for the employees. One suggestion is that HR take this responsibility by administering anonymous surveys, using suggestion boxes for existing employees, and conducting exit interviews with employees who leave the organization (Cascio and Graham 2016; Spain and Groyberg 2016). It is important that the CEO, strategic HR, marketing, IT, communication and other functional units in the organization agree on the EVP and that the message is consistent with all other the organization’s strategy and all other brands in the organization (Cascio and Graham 2016). Thereafter comes external employer branding (also called external marketing), followed by internal employer branding (internal marketing). The idea is that the right EVP can attract the right employees. The value proposition should include the organization’s unique employment offerings, and it should be able to address both existing and potential employees. The value proposition should be a true representation of what particular value the organization offers its employees, and needs to be based on the organizational culture, management style, current employment image and impressions of the product or service (Sengupta et al. 2015).

After the EVP has been defined, it is marketed to external stakeholders, like potential employees, recruiting agencies and placement counsellors. The goal of this external employer branding is to attract the best candidates and establish the organization as an attractive employer—an employer of choice (Backhaus and Tikoo 2004).

What is communicated externally informs potential employees about which employment needs will be met once they have been recruited (Wallace et al. 2014). Therefore, it is important to market an authentic EVP which mirrors the organizational culture. Potential employees’ understanding of what constitute the attractive attributes of an organization will form their expectations based on their initial attraction to an employer. Realistic expectations will increase the possibility of retaining employees, as the latter will compare their employment experiences with



the EVP offered during recruitment (Backhaus and Tikoo 2004; Moroko and Uncles 2008). Therefore, to build trust and trustworthiness, the EVP offered to those outside the organization must align with the employment offerings inside the organization, and also with other branding efforts in the organization (e.g. product and corporate brands).

Internal employer branding follows the external employer branding process. Internal branding involves the ‘adoption of the branding concept inside an organization to ensure that employees deliver the brand promise to the external stakeholders’ (Foster et al. 2010, p. 401). Internal employer branding aims at creating a culture of trust between employer and employees, and ensures that employees are committed to the values and goals of the organization. The value propositions promised in the external employer branding process must be delivered to those who were recruited. A failure to deliver the employer brand promise ‘is likely to impact negatively on the morale and performance of the workforce’ (ibid., p. 409). The internal branding process systematically exposes employees to the value proposition of the employer brand. The message of the employer brand needs to be shared among the employees, and the organization needs to educate its employees (Cascio and Graham 2016). The idea is that ‘the workplace culture is moulded around the corporate goals, enabling the firm to achieve a unique culture focused on doing business the firm’s way’ (Backhaus and Tikoo 2004, p. 503). Internal branding may be understood as ‘a result of [the] employer’s internal communication effort to develop a workforce that is committed, loyal and identifies with the set of organizational values and goals’ (Sharma and Kamalanabhan 2012, p. 304). Cascio and Graham (2016, p. 190) suggest that if there is a difference between what employees express in internal surveys and what they communicate externally on, e.g. social media, it is important ‘to learn why the employees feel the ways they do’. Cascio and Graham (2016, p. 190) further emphasize that building a positive (successful) employer brand ‘is not a one-time event’. It ‘requires constant care, time and commitment’ (Cascio and Graham 2016, p. 190).

Most often, the literature on employer branding has taken an external and marketing perspective focusing on the question how to attract potential employees. However, in this book, we study employer branding and attractive work from the perspective of already employed managers, and emphasize the importance of the organization’s internal perspective on employer branding in retaining valuable employees. We examine managers’ perceptions of organizational values (CSR and EO) and how these values are formalized in policies and further implemented and communicated. Based on our results, we propose that organizations should acknowledge ethical values like CSR and EO as crucial aspects of the organizational culture. We also suggest that organizations should include ethical values in their EVP, and institutionalize and communicate these values more actively than is usually the case. Further, we emphasize the important role that HRM could have in the employer branding process.

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# Chapter 3

## Corporate Social Responsibility and Equal Opportunities for Men and Women as Organizational Values

### 3.1 Corporate Social Responsibility

Corporate social responsibility has a long history, but it has become the buzzword in the global business arena over the past few years. Though business organizations, from a strategic point of view, see profit as the chief determinant of their existence and growth, their contribution to society has been an important factor in their success (Fremont-Smith 1972). However, CSR acquired a new meaning with the rising concern for sustainability. It became evident to both political and corporate leaders across nations that the only way capitalism could survive and humanity prosper was by becoming responsible vis-à-vis the environment, society and communities across the world. Thus, CSR gradually came to represent a corporate effort to balance the concern for profit with concern for the environment and community (Waddock and Graves 1997). The academic field of CSR studies is highly volatile and contested, with conceptual disagreements leading to the mushrooming of definitions. The next section elaborates on the various approaches to understanding CSR.

#### 3.1.1 *Approaches to Understanding CSR*

The major difference between contemporary CSR practices and the early philanthropic efforts of corporations in the nineteenth and mid-twentieth centuries in Europe and the USA is the integration of CSR with the strategic and operational plans of the organization. For example, modern-day CSR practices involve integrating ethical values with the rules, procedures and norms of the organization. It is the duty of all decision makers and implementers to see that these rules, procedures and norms are not violated. Similarly, corporations today also need to make an effort to improve the quality of life of employees and their families (Abbott and

Monsen 1979). Thus, CSR as conceived today is not the same as corporations engaging in philanthropic activities outside the scope of the business. Modern-day CSR is different from corporate philanthropy, as it involves an integrated effort by the corporation to include all groups of stakeholders within and outside the organization. Corporate social responsibility is understood as a management concern of all decision makers within the corporate structure, where managers constantly try to engage with employees, customers, suppliers, government and non-governmental organizations (NGOs), the natural environment and shareholders (see Snider et al. 2003; Waddock 2004).

However, critiques of this approach to CSR contend that corporations, by engaging in voluntary and discretionary activities tangentially related to the overall economic objectives of the firm, will not utilize their limited resources optimally; hence, they will be subjected to greater competitive pressure and drain away shareholders' wealth. This line of argument was summed up in the title of Milton Friedman's often-quoted article, 'The social responsibility of business is to increase its profits' (Friedman 1970). However, the world has moved away from the mindset of the 1970s. The growth of economies across the world, coupled with the liberalization of economies that were under state control, has led to accelerated consumption, and hence the issue of sustainability has taken centre stage. Sustainability today, as understood by most countries in the world, is focused on economic development, social development and environmental protection for future generations. Sustainable development is that which meets the needs of the present without compromising the ability of future generations to meet their own needs. The Brundtland Report, formally known as the World Commission on Environment and Development, defined the three components of sustainable development as environmental protection, economic growth and social equality. However, an overwhelming number of countries put economic growth at the forefront of sustainable development (Borowy 2014). Sustainability is seen by many as increasingly essential to creating shareholder value, as investors and employees look to organizations to be good corporate citizens (Pullman et al. 2009). By and large, in most countries today CSR is understood and assessed along with its quotient of sustainability. Thus, over the years, CSR, which started out as an issue of business ethics, has emerged as a potential means to enhance the attractiveness of an organization, and this, in turn, is seen an instrument of business growth.

Garriga and Melé (2004) classify existing approaches to and theories of CSR into four broad groups, namely, instrumental theories, political theories, integrative theories and ethical theories. Instrumental theories propose that CSR activities should contribute to corporate profit, whereas political theories suggest that CSR enhances the social power of organizations, and that is why corporations should engage in CSR. Integrative theorists propose that as a business depends on society for its existence and growth, corporations should integrate social demands in their business practices. Ethical theorists suggest that corporations should accept social responsibility because it is their ethical obligation (ibid.). For instance, the Confederation of British Industry (2001) prescribes that corporations have to behave ethically and help improve the quality of life of their employees, employees'

families, the local community and the society at large, while contributing to economic development and growth. This meaning of CSR is accepted by a large section of academics and business experts (see Hopkins 2012).

Examining the classification of theories proposed by Garriga and Melé (2004), it becomes evident that all these approaches involve some form of instrumentality. That is, CSR is not an end goal for the organization, but rather is an instrument to achieve certain organizational goals. For example, political theories of CSR emphasize the social and political power that corporations may derive as a result of pursuing CSR. Similarly, the integrative theories focus on organizational sustainability, while the ethical theories emerged out of the growing demand for organizations to be ethical, voiced by three distinct groups of stakeholders—green customers, regulatory state agencies and groups of progressive investors. One may argue that CSR activities as understood by all these theories are not an end in themselves, but instrumental in achieving certain kinds of organizational goals.

### ***3.1.2 Who and What Determines the Nature of CSR***

The theoretical development of CSR was kick-started by the emergence of stakeholder theory, which proposed that an organization is composed of different stakeholders, and that the managerial task is to balance the interests of these multiple stakeholders (Freeman 1984). A stakeholder, according to this theory, is any group or individual who can affect or is affected by the achievement of the organization's goals. Stakeholder groups may have diverse interests, and they also differ in terms of their power to influence the functioning of the organization. It follows from this theory that the organization's interest is best served when managers forge meaningful relationships with key stakeholders. It is argued that firms can benefit financially by creating and maintaining such relationships with a broad set of stakeholders. According to this theoretical framework, there are three important groups of stakeholders whose interests should be safeguarded. These include, first, the core stakeholders, those whose presence is absolutely vital for the existence of the group (e.g. shareholders/investors). The second group consists of strategic stakeholders, who are important because they can be vital partners when the business faces threats or opportunities. Strategic stakeholders can include important segments like consumer groups, regulators, policy makers, etc. The rest are treated as peripheral stakeholders in the context of the organization.

Carroll (1991) visualizes a four-layer, pyramidal model of CSR, designating four levels of responsibilities of the corporation. As all corporations are economic organizations, safeguarding the investors' or owners' economic interests is the prime task of the organization. Thus, while contributing to the social good, the organization is also expected to make a reasonable amount of profit so as to retain the interest of investors. Therefore, the economic responsibilities of the organization form the base of the pyramid upon which all other responsibilities rest. Corporations do not conduct business in a vacuum; rather, their business is

regulated by the laws, rules and procedures of the geographical/political unit in which they exist. The corporation has a responsibility to meet the requirements of laws and provisions that are applicable to it. Thus, legal responsibility forms the second layer of responsibility within Carroll's framework.

Like any transaction, business transactions involve a certain degree of risk, and society enacts laws and rules of transactions to reduce this risk. However, the legal framework may not be able to cover all the types of risks that are embedded in such transactions. Therefore, it becomes important for all parties to follow certain ethical and moral rules to which they must adhere, even when they stand to derive a profit if they were not to follow these moral and ethical principles. However, most actors resolve to follow the moral and ethical code of conduct because of their futuristic orientation. Thus, the third layer of the pyramid consists of the ethical and moral responsibility of the organization. The top layer of the pyramid is constituted by the philanthropic responsibilities of the corporation. These include business contributions to various causes not just for moral or ethical reasons, but because it is considered good for the overall development of the society, such as the cultural and educational development of the community.

### ***3.1.3 Impact of CSR***

Adoption of a CSR policy at the organizational level may be triggered by pressures exerted by different stakeholder groups. But CSR has some intended and unintended benefits for the organization at various levels. Aguinis and Glavas (2012) review 588 journal articles and 102 books and book chapters to perform a multi-level analysis (individual, organizational and institutional). At the institutional level, they observe that firms engage in CSR due to institutional pressures, particularly from stakeholders representing different groups (shareholders, customers, policy makers, regulators, etc.). These stakeholders influence organizational decisions by impacting potential revenues, resources and the firm's public image. The researchers also observe additional institutional-level predictors of CSR, such as existing regulations and standards and certification. However, they also note that the effects of standards and certification on CSR might diminish over a period of time, as organizations focus more on compliance than on the substantive aspects of CSR; thus, CSR gradually becomes a symbolic activity. Institutional-level outcomes of CSR include a positive impact on the organization's reputation and increased loyalty from its stakeholders.

At the organizational level of analysis, Aguinis and Glavas (2012) find that organizations engage in CSR primarily because of instrumental reasons, organizational values, improved management practices, product quality, operational efficiencies, attractiveness to investors and enhanced demographic diversity. There are very few studies that explore the impact of CSR at the individual level of analysis. It has been found that CSR engagement leads to alignment with personal values, increased employee performance, organizational identification, increased

organizational citizenship behaviour, greater employee retention, in-role performance, commitment, increased attractiveness to prospective employees, increased supervisor commitment to ethics, equity sensitivity of managers, individual employee discretion and salience of issues to employees (ibid.).

### ***3.1.4 CSR as a Business Strategy***

One of the strategies adopted by researchers and NGO activists has been to influence decision makers in organizations to adopt CSR as an organizational policy. They argue that there has been global discontent against large corporations for using their corporate power to legitimize their presence in the global business arena, in many cases using unethical means in the conduct of their business. Given the rapidity of the flow of information across the world and the increasing transparency of public systems, it has become extremely difficult for organizations to hide information. Under these conditions, CSR has a major role to play in building a positive image for the organization as well as protecting it from any temporary setbacks caused by negative publicity. Godfrey et al. (2009) find that CSR activity has an insurance-like property. That is, when the going is good, CSR does not matter much to the organization. However, when the organization confronts negative legal or regulatory actions, the unfavourable evaluations are tempered by its history of CSR activity. An interesting finding is that CSR activities focusing on the firm's secondary stakeholders, i.e. society in general, provide an 'insurance-like' benefit, while CSR aimed at the organization's external and internal partners does not result in any such benefits (ibid.). Thus, corporations have started to discover that CSR is not just a cost to the company, but creates goodwill in the society and protects the company against negative perceptions. Empirical evidence suggests that CSR generates opportunity, innovation and competitive advantage while solving social problems (Porter and Kremmer 2006).

### ***3.1.5 Linkages of CSR Performance with Organizational Performance***

Conceptually speaking, CSR entails that corporations seek, on a voluntary basis, to integrate social and environmental concerns in their business operations and in their interactions with other stakeholders. It is not merely a case of fulfilling legal expectations, but involves a decision to invest in relationship building with external as well as internal stakeholders. Thus, CSR is an exercise in long-term value creation goes much beyond legal and technical compliance. In other words, CSR activities lead to improvement in financial and economic performance. Research on CSR has mostly focused on its consequences, more precisely on its influence on



organizational performance (Griffin and Mahon 1997). There is evidence suggesting that investors' estimates of the fundamental value of the stocks of an organization depend on the organization's CSR performance (Elliott et al. 2013). This suggests that the perception of the value of an organization's shares in the stock market is dependent on the perception of the organization's participation in CSR activities. Another empirical study has found that organizations' CSR performance is inversely related to capital constraints (Luo et al. 2015). That is, organizations that perform better on CSR are more likely to be able to access funds than organizations rating low on CSR performance. The authors argue that this happens because CSR performance is positively related to stakeholder engagement, which enhances trust in and commitment to the organization. They also argue that organizations that rate high on CSR performance are more likely to be transparent, which may reduce perceived risk and hence encourage a greater flow of capital (ibid.). Similarly, Kim et al. (2014) find evidence that an organization's CSR performance is negatively associated with future crash risk after controlling for other predictors of crash risk.

The meta-analysis conducted by Orlitzky et al. (2003) on 52 research studies over a 30-year period compares CSR with corporate finance performance, and suggests a positive correlation between the two variables. Also, researchers claim that the business case for CSR includes improved financial performance, reduced operating costs, long-term sustainability of the company, increased staff commitment and involvement, long-term returns on investments, enhanced capacity to innovate, enhanced brand value and reputation, development of closer links with customers greater awareness of their needs (Jones et al. 2005). Ahmeti et al. (2014) suggest that CSR can increase the long-term profitability and sustainability of banks as well as enhancing their reputation. Margolis et al. (2007), in their meta-analysis of 167 studies of socially responsible organizations published between 1972 and 2007, find a positive relationship between CSR and the performance of these organizations. McDonald and Rundle-Thiele (2008) find a positive relationship between CSR and customer outcomes. Russell and Russell (2010) report higher patronage and increased purchase intentions on the part of customers for companies, whose CSR activities are focused on the well-being of local communities. Local CSR activity increases reciprocal behaviour, reflecting the egocentric tendencies of consumers. Similarly, there is considerable evidence that companies that are more actively involved in preserving the environment tend also to be more profitable (Kotler and Lee 2008).

The contribution of CSR may not always be direct; for instance, it may indirectly increase consumer satisfaction (Loureiro et al. 2012), leading to greater sales and profitability for the firm. A firm's commitment to CSR also plays a significant role in enhancing employee performance. Many organizations have also been trying to integrate their business models with CSR by soliciting customers' insights (Saharan and Singh 2015). Conscious consumers often prefer to purchase products from firms that connect them to social issues like welfare, women's empowerment, sustainability environmental issues. Customers believe that it is their moral duty to buy and use the right products to support good actions (Gielissen 2011).

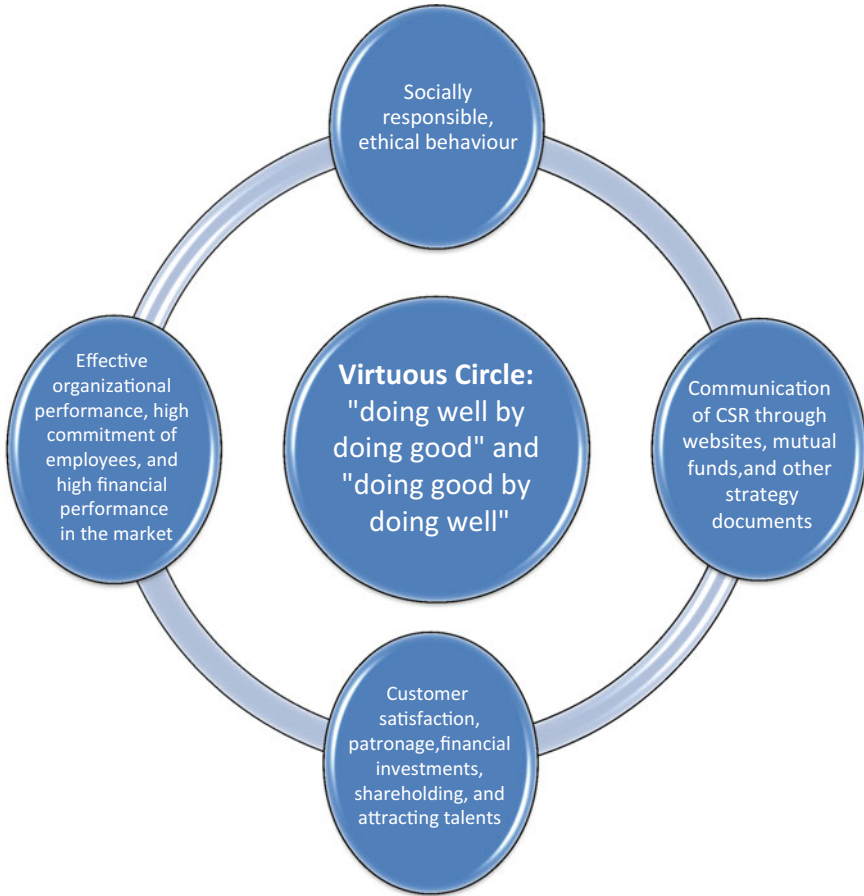
Increasingly, CSR has become a part of corporate brand building as more and more evidence pours in linking the corporation's brand image and its CSR activities (Vallaster et al. 2012). As mentioned earlier, CSR activity has an insurance-like property, tempering negative perceptions of an organization in situations where it faces legal or regulatory action (Godfrey et al. 2009). Corporations whose business is controversial in nature (e.g. those in the tobacco and oil industries) often try to acquire legitimacy through publicity regarding their CSR practices. Such communications use factual as well as affective modes of persuasion in order to secure legitimacy for the organization (Du and Vieira 2012).

All these arguments establish that socially responsible companies perform well financially because they are supported by customers and investors. This leads to better financial performance, making it easier for the organization to become even more philanthropic. Although it is understood that profit may not be a key motivator for engaging in socially responsible behaviour, the clear link between the two is evident nevertheless. Carroll's (1991) pyramidal model of CSR suggests that an organization's financial activities are its most basic responsibility. Organizations/corporates which are successful financially invest in social causes because they can afford to do so. They 'do good by doing well'. Conversely, socially responsible organizations/corporate houses tend to perform well financially, as they 'do well by doing good'. This relationship has been referred to as the 'virtuous circle' (Trevino and Nelson 1999, cited in Greenberg and Baron 2010). Figure 3.1 shows how CSR justifies the concept of doing well by doing good.

Figure 3.1 depicts how organizations may engage in socially responsible, ethical behaviour and communicate these efforts through mutual funds, websites, etc., to their stakeholders. This enhances the commitment of their employees, allows the organization to attract talent and increases customer satisfaction and patronage from society, which in turn results in high-value mutual funds and better financial performance.

### ***3.1.6 CSR and Social Change***

We have discussed how different stakeholder groups seek to influence organizations to act in a socially responsible manner. Corporate social responsibility changes the social relationship from an adversarial one of mistrust to a relationship of trust. In most decision-making processes, individuals and groups use certain heuristics (Kahneman and Tversky 1972). The CSR activities of an organization are often used as a heuristic for fairness (Lind 2001), and are seen as leading to the development of trust. Similarly, employees judge the social concern embedded in an organization's actions (procedural CSR), the outcomes that result from such actions (distributive CSR), and how individuals both within and outside the organization are treated (interactional justice). Aguilera et al. (2007) suggest that organizations' social actions (positive or negative) provide employees with critical information to judge the fairness of the organization. In effect, they argue that an organization's CSR



**Fig. 3.1** Linkage between CSR and organizational performance: the virtuous circle. Based on the concept of ‘Virtuous Circle’ presented in Greenberg and Baron (2010)

efforts define its level of social justice, and can be used as a vehicle for social change. Researchers have also suggested that by using CSR strategies, corporates can behave as social agents for value creation in society, and indirectly use this to legitimize their business agenda (Margolis and Walsh 2003; McWilliams et al. 2006).

### **3.1.7 Legislation and CSR**

Given the inability of many states to take care of the basic requirements of their citizens, different forms of legal measures have been instituted for corporations to share the burden of social welfare schemes (Matten and Moon 2008). The force of

law and its rigorous enforcement have had a radical effect on organizations, which have slowly turned into active agents of social change. Laws often stand for the expectations that a society has of its members. For example, a law against littering signifies that the society does not expect its members to litter. These expectations play a powerful role in ensuring responsible corporate behaviour. Expectations that have been institutionalized through legal provisions are reinforced by those of other stakeholder groups (Kagan et al. 2003). A cross-national study on legal frameworks for CSR suggests that the making and enforcement of law go a long way in creating unique CSR climates that vary across countries (Campbell 2005). For instance, these laws encourage the institution of pension funds, while investment managers are encouraged to pay more attention to companies' social and environmental performance, creating additional pressures for organizations to consider those issues as well (Williams and Conley 2005).

There is enough empirical evidence to suggest that voluntary CSR has a greater impact on the society. Voluntary CSR entails that an organization's economic responsibility is directed towards satisfying its legal and ethical responsibilities (Shum and Yam 2011). In this sense, the fulfilment of an organization's economic responsibility would not be in conflict with its voluntary CSR responsibility. On normative grounds, it is desirable for organizations to engage in voluntary CSR, rather than having CSR enforced through coercive legislation. Managers can, however, be encouraged to engage in more voluntary CSR activities to contribute to the social good when appropriate legal and ethical controls are in place (ibid.).

Governments across the world have functional reasons to promote CSR, as CSR increases competitive advantage by fuelling innovation, enhancing the reputation of organizations among their customers, creating high-performance workplaces and maintaining important intangible assets such as community trust or employee goodwill (UK Department of Trade and Industry 2003). Corporate social responsibility is also recognized as a useful risk management strategy, since it requires managers to communicate with a range of stakeholders to identify longer term social, economic and environmental risks and to incorporate thinking about those risks into strategic development (UK Department of Trade and Industry 2004). Further, international companies are perceived as representing their countries of origin, and CSR undertaken by these corporations creates brand value for the nation (Freeman et al. 2001). Active governmental support for CSR has led to the identification of the corporation as a citizen, bound by the responsibilities of a citizen, who can contribute effectively to improving social conditions (Brown 2003). However, organizations that operate across the globe function under a very fuzzy regulatory climate, as no government has the capacity to regulate them. At the global level, therefore, we find a multiplicity of voices which seek to catalyze the development of norms governing global corporations (Barnett and Duvall 2005).

To varying degrees, governments of developed countries acknowledge that their flagship companies represent their nations internationally: Coca-Cola and McDonald's are the face of the United States internationally, just as British Petroleum is the international face of the United Kingdom. Thus, governments have an economic interest in encouraging their flagship companies to exhibit high

standards of CSR abroad, thereby reducing the chance that the companies will become targets of reprisal, negative publicity, or boycotts based on a poor record of CSR (Freeman et al. 2001).

Where governments have been particularly active in encouraging or requiring CSR efforts, there is a strong sense of collective responsibility for social conditions (Hofstede 1980) and an identification of corporations as members of the society with a responsibility to make positive contributions to the improvement of social conditions (Brown 2003). As Chancellor of the Exchequer of the UK Gordon Brown articulates it, corporate CSR efforts are part of the ‘building blocks’ of the new economic order that governments have a moral obligation to support and develop in order to ‘advance social justice on a global scale’ (ibid., p. 331).

Given the absence of global government, globalization has produced a regulatory vacuum in which no single state has the capacity to regulate the totality of any global company’s activities. Yet this concern may construe the category of ‘regulation’ too narrowly. Global CSR discourses provide a good example of both the multiplicity of voices in the transnational public sphere and the potential transformative impact of ‘simple’ articulations of norms (Barnett and Duvall 2005). From a sustainable development perspective, public sector engagement with CSR potentially spans social, economic and environmental spheres, including issues of corruption, poverty reduction and human rights. However, these engagements vary across developed and developing nations.

### ***3.1.8 Communicating CSR***

The communication of its CSR activities is an important instrument through which a company tells all its stakeholders about its efforts to help improve conditions in the society or the environment. There are manifold objectives of CSR communication by organizations. One of the most dominant reasons for CSR communication is the organization’s need to legitimize its existence within a given social-cultural milieu. The more aware and sensitive a society is towards its environment, and the more it emphasizes an egalitarian approach to building a just and fair society, the more effective CSR communication will be in achieving its legitimizing objective. A second objective of CSR communication is to create and maintain a positive relationship between the organization and the society in which it operates (MÚOSZ 2007). Communication of its CSR efforts is also seen as representing an organization’s commitment to going beyond its economic interests and promoting non-business relationships with different stakeholders, centred on the pursuance of ethical behaviour and maintenance of transparency. To be effective, CSR needs to be communicated because it involves a public commitment made by the organization. Thus, the core practice of CSR is CSR communication (Capriotti and Moreno 2007).

Types of CSR communication and the medium of communication can vary widely. Traditionally, corporate houses used their annual reports as a medium of CSR communication, but more recently intranet for internal employees and web pages for the outside world have been the most widely adopted means of corporate social communication. The internet and intranet offer strategic benefits for CSR communication, as these are ongoing and interactive processes rather than a static annual product, like an annual report (Antal et al. 2002). Another way of categorizing CSR communication is in terms of a continuum from preaching to action. Some organizations may engage in preaching CSR values but may not follow up on these pronouncements in their day-to-day business. This type of communication may create a buzz and have a short-run positive impact during times of crisis, but in the long run the effect may wear out (Barrage et al. 2014). On the other hand, there are organizations that follow up with action on what they preach, and make CSR an integral part of organizational activities. Communication and raising awareness about these activities are necessary to improve the value of the company (Holiday et al. 2002) in the form of branding.

Three levels of factors influence CSR communication: country-level factors, which include the regulating environment and governance issues; industry-level factors—some industries have a direct negative impact on the environment, like gas and coal companies, while others have a positive impact by reducing the carbon footprint, such as wind or solar power companies; and firm-level factors, including the size, age, board composition and eco-governance system of the organization (Lattemann et al. 2009). A study conducted on 100 Indian IT companies and foreign firms regarding CSR communications (Tewari 2011), reports that Indian companies tend to highlight monetary benefits to their employees and price advantages to their customers. Also, they outperform foreign firms in their environment-related disclosure. On the other hand, MNCs highlight the softer, quality-driven aspects of CSR for their employees and customers. This suggests that the type of organization (national/multinational) may affect the way CSR is communicated. Chaudhri and Wang's (2007) study of CSR communication reveals that more than 30% of the global IT companies in India had no CSR information on their India sites. The study highlights the need for proactive and transparent communication about CSR in the Indian IT sector, as the industry plays a pivotal role in the country's emergence as a strong global contender.

### ***3.1.9 Organizational Culture and CSR Practices***

Organizations involved in social activities in line with universally accepted standards strive to create a chain of values for their employees and a brand image for the firm. In such cases, CSR is embedded in the culture of the organization. In all its communications to its employees, shareholders, customers, etc., such an organization emphasizes important cultural beliefs about CSR. If CSR is conceived as part of the strategic plan of the organization, then it slowly evolves as a determinant of

the company's culture. Corporate social responsibility practices are capable of according competitive advantage to the organization as a result of its socially oriented and sustainable approaches.

Rishi and Moghe (2013) suggest that there is a need for reorienting organizational culture to make it more people-oriented by upgrading HR policies. An organization that is trying to integrate CSR with its organizational culture may face the challenge of having in place values for promoting a participatory and healthy work environment, but lacking a focus on improving the motivational environment within the organization for managers to implement such values. A synergetic, transparent culture affords greater possibilities for fostering a CSR-oriented environment and motivating managers better.

Organization-level values have an influence on the CSR activities of firms. In a study of IT professionals in the US, it was reported that compared to managers working in organizations having mechanistic core values, managers in organizations with organic core values had relatively higher scores on social responsibility. Warren Bennis (1969, cited in French and Bell 2001) was the first to talk about mechanistic values in an organization, where the relationship with employees is guided by hierarchy and control, rules guide behaviour and specialized knowledge is highly valued. On the other hand, organic values emphasize mutual trust among employees, decentralized control and self-control and broad knowledge in many areas. Organizations having organic core values encourage collaboration, sociable interactions, empowering and trust-based relationships, etc., whereas organizations with mechanistic values tend to be bureaucratic and closed, with hidden arrangements for political control (Jin and Drozdenko 2010).

Schwab (2008) suggests that companies may be grouped into two different value systems: one dominated by the value of the corporate identity, and the other dominated by CSR values. Corporate identity, perceived as a values concept, is important as it affects the images and reputation of companies (Cornelissen 2011; Williams 2008). Corporate identity also contributes to companies by differentiating them from their competitors, creating strong relationships with stakeholders and delivering value, which in turn enables companies to obtain their strategic objectives (see Schmeltz 2014). A significant feature of corporate identity as discussed by Schmeltz is the emphasis on fusing organizational values and corporate values to achieve a strong link and transparency between a company's core organizational values (based on the impressions and experience of organizational members) and its corporate identity (the picture presented to external stakeholders) (ibid.).

Schmeltz (2014) argues that the continuous process of capturing and responding to changes in identity will be more intense and poignant when a new concept such as CSR is introduced as an organizational value and becomes part of the corporate agenda, challenging already established corporate identity values. For CSR to be truly integrated with corporate identity, companies need a careful understanding of the complex roles that they play, issues in the implementation of CSR through day-to-day practices of employee engagement, the problem with uncoordinated efforts by key managers to integrate CSR as a corporate value, and the socio-cultural milieu of the country in which the firm operates. However, such

issues can be addressed by discussing and implementing social entrepreneurship as part of the core activities of an organization, and using existing research and development capabilities to create socially innovative products and services (ibid.) If CSR policy is not integrated with organizational culture, employees may consider CSR as an additional, burdensome task. In that case, CSR may not contribute positively to organizational image building in spite of the fact that local, social and developmental issues are being addressed by the organization. Therefore, in order to gain the full competitive advantage of CSR initiatives, it is necessary that core social and cultural values are inculcated among employees.

Today's organizations must understand and adopt CSR both as an instrumental and as a terminal value. The instrumental (for-profit) value consists in several benefits that an organization may reap by being associated with CSR, while the terminal value is represented by the achievement of some social good, where CSR is essentially understood as a non-profit-seeking activity (Schmeltz 2014). Corporate social responsibility is a continuing commitment by business to behaving ethically and contributing to economic development while improving the quality of life of employees, their families, as well as of the local community and the society at large. Therefore, CSR may be said to be generally centred on the following principles: (a) fair and equitable treatment of employees; (b) ethical operations and maintaining integrity; (c) respect for basic human values; (d) sustaining the environment for future generations; and (e) being a caring neighbour in the community (Das Gupta 2010). More and more organizations are realizing the importance of addressing social and environmental concerns along with transparent stakeholder engagement. Today, CSR has gone beyond merely 'charity and donations', and is approached as an integral part of the corporate strategy (ibid.).

### ***3.1.10 The Indian Context***

From among the emerging markets in Asia, India provides an interesting case study and new insights with reference to management practices and CSR, with the potential to throw up a new model of CSR for scholars and practitioners (Cappelli et al. 2010). India also provides the contrast of being one of the fastest growing economies (according to the IMF World Economic Outlook of April 2016, India's GDP growth rate in 2015 was 7.336%, and India was the ninth fastest growing nation) with the largest number of poor people in the world. It is as necessary to have economic growth to catch up with the rest of the world as it is important to include a large mass of underprivileged people in the growth story. To this end, the Government of India has brought about a unique piece of legislation, making CSR mandatory for corporations. The act came into force on 1 April 2014. However, much prior to this, India, despite having the lowest level of GNP per capita, had the highest level of CSR among Asian economies (Reserve Bank of India 2009; UNIDO 2002).



The concept of CSR is extremely relevant in the Indian context, where social and cultural issues play a very significant guiding role in building a positive image for the organization among its own employees as well as in the society at large. Undertaking projects relating to education, health, environment, etc., helps to create a sense of loyalty and trust among employees with regard to the organization's ethical commitment. There are plans to introduce CSR in the small and medium enterprises sector as well, so as to increase the reach of CSR activities into remote areas (Deswal and Raghav 2013).

In India, scholars have highlighted the role of tradition, spirituality and respect in the evolution of the concept of CSR, which has been studied primarily in terms of its philanthropic aspect. This is consistent with the long-standing tradition of business involvement in social development needs in the country (Balasubramanian et al. 2005; Jose et al. 2003; Mohan 2001; Sagar and Singla 2004). Chahoud et al. (2005), in their report on CSR in India, identify four phases corresponding to four different models of CSR in the Indian context. Phase 1 is characterized as the 'philanthropic model', prevalent during the 1850s when businesses often contributed to building temples, and charity and philanthropy were the hallmarks of businesses' contribution to society. This mode of doing business influenced and was influenced by the prevalent religiosity of the country, its cultural traditions and the long-cherished ideal of family values.

Phase 2 emerged in the pre-independence phase starting around the 1940s, and is described as the 'ethical model' of CSR. This phase was dominated by India's struggle for independence. Mahatma Gandhi's idea of 'trusteeship' sought to consolidate and amplify social development, and formed the basis of the ethical model of CSR. This part of CSR history in India is marked by donations in cash and kind towards community-level investments in providing schools, hospitals, colleges, etc. These activities were spearheaded by large business groups like the Tata, Birla, Godrej, Bajaj and Mahindra families, who were strongly in favour of philanthropy. The major thrust of this phase of CSR was on nation building and socio-economic development.

After independence in 1947, the 'statist model' emerged with the formation of public sector undertakings (PSUs); this was the third phase in the development of CSR in India. Post-independence India inaugurated the unique experiment of the mixed economy, where the private sector had to compete with large state-owned public corporations. This set the stage for the regulation of companies' activities in the public domain based on strict legal provisions rather than self-regulation.

In the next phase, CSR became the interface between philanthropic and business approaches. Abandoning their traditional philanthropic activities, Indian companies started integrating CSR with their overall business strategies. The government's and the public's expectations from the private sector in terms of contribution to social welfare were reinforced by the Tatas' and the Birlas' business policies and extension activities. This fourth phase of CSR began post-1990 and is known as the 'liberal model'. In this period, the Indian government took steps to liberalize and deregulate the Indian economy, and CSR practices evolved in line with the trend towards privatization and deregulation.

With the thrust towards globalization, liberalization, privatization and its implications, corporations' social obligations have also increased. The state is increasingly looking to private players to bridge existing gaps in its attempts to achieve inclusive growth and development among different sections of the society, and is seeking to enter into public-private partnerships (PPPs) with corporates. While the principal demand of Indian society from a socially responsible corporate sector would in all likelihood be employment generation that can mitigate unemployment and poverty, the globalized economy, on the other hand, is putting pressure on Indian corporate houses to develop internationally acceptable standards of socially responsible behaviour as endorsed by the west (Sharma 2011). A study by Shukla and Donovan (2014) of 44 Indian CEOs demonstrates that in India, even today, CSR is predominantly seen in terms of the old perspective of charity/philanthropy, and companies are driven to engage in CSR primarily for the brand value it is able to generate. The authors conclude that in India, a sustainability-based understanding of CSR is still a long way off. Gradually, CSR efforts are being directed towards sustainable business strategies, and companies, private or public, have become more willing to integrate CSR into their business strategies.

Another approach to CSR in India is formulated in terms of the shareholder model versus the stakeholder model. Campaigns against corporate organizations that have not behaved in a pro-consumer manner, thereby increasing shareholder pressure, gave rise to the 'stakeholder model' of CSR. Loyal relationships with stakeholders are increasingly dependent upon the perception that a company is able to create 'added value' beyond the purely commercial transaction. Added value embraces issues like equality, service, care for people and the promotion of pro-environment behaviour. Today, not only larger companies but also some small and medium enterprises are striving to adopt a stakeholder model in their core business processes in pursuit of sustainable development. Arevalo and Aravind's (2011) research into approaches to CSR by Indian companies suggests that the stakeholder approach is currently the most prevalent. Mishra and Suar (2010) examine whether CSR towards primary stakeholders influences the financial and the non-financial performance of Indian firms. The results suggest that responsible business practices towards primary stakeholders can be profitable and beneficial to firms.

India, as one of the fastest growing economies in the world, needs to have a business environment that has powerful ethical and legal safeguards in place alongside eliciting respect for societal expectations on the part of organizations. In addition, due to the competitive environment, issues of customer satisfaction and service are crucial to organizations. The advantages of CSR activities, as discussed earlier, range from corporate image building to enhancing motivation among employees in terms of greater involvement and sustained loyalty to the organization; CSR helps build bonds between employer and employees and fosters pride in the organization among employees (Shinde 2005, cited in Chinnadurai 2015). Arevalo and Aravind (2011) agree with prior studies that ethics and values serve as important motivators for Indian firms to engage in CSR practices (Balasubramanian

et al. 2005; Cappelli et al. 2010; Kumar et al. 2001). There is a widely held belief in India that service to others is important, and that one's goals in life ought to extend beyond one's own material needs (Cappelli et al. 2010). It is assumed that these are values which may also work as motivators for Indian managers. Other motivators identified include those related to the business case for CSR, for instance, enhancing profits and reputation and satisfying stakeholder demands. These motivators can be categorized as moral versus strategic motivators (Graafland and van de Ven 2006), or caring versus profit-driven motivators (Balasubramanian et al. 2005; Van Marrewijk 2003). Despite the forces of globalization and the resulting increase in competition and the pressure to be profitable, Arevalo and Aravind (2011) find that the caring or moral motivator for CSR is more pertinent among managers in India, which is in line with the historical tradition in India.

We now turn to a discussion of the CSR policy as formulated in the Indian Companies Act of 2013. The new Companies Bill passed in 2013 contains an important clause (Clause 135) that mandates CSR regulations in Indian companies. This bill replaced the Companies Act that had been in force since 1956. The revised rules specify that companies with a net worth of Rs. 500 crore (Rs. 5 billion) or more, or an annual turnover of Rs. 1000 crore (Rs. 10 billion) or more, or with an annual net profit of Rs. 5 crore (Rs. 50 million) or more (i.e., net profit before tax, not inclusive of profits from branches outside India) will be covered under this act.

The question has been asked whether the Companies Act 2013 forces corporates to do charity in India through CSR. India is the first country to make CSR mandatory, and this has raised issues and concerns all over the world. But the step to enforce CSR practice can be viewed as an extension of the 'trusteeship' model of Mahatma Gandhi. This essentially means that as corporates are part of the society they operate in, they should also be responsible towards the society (Jain 2015).

The act contains the following four major directives, requiring companies to:

1. form a 'CSR committee' consisting of three or more directors, one of whom must be an independent director, and preferably a woman;
2. allocate at least 2% of their net profits to implementing CSR activities (the 2% of CSR spending is computed as 2% of the average net profits made by the company in the preceding three financial years ending on or before 31 March 2014);
3. formulate a 'CSR policy' that details which activities will be undertaken by the company, and the budget allocated to them (this information should be published on the company's website);
4. report the details of all CSR initiatives undertaken and implemented by the company in the directors' report and on the company's website at the end of each financial year.

The new policy thus specifies how CSR should be formalized, how it is to be implemented, and how it should be communicated externally and internally. It emphasizes that a company's CSR programme should 'give preference' to the local area where it operates, and may integrate the company's business model with social

and environmental priorities and processes in order to create shared value. This requires that the company should have precisely formulated projects, to implement which it can take the help of foundations, trusts and NGOs. The company is required to set up a monitoring system to ensure that its 2% contribution (under Clause 135) is spent for the planned purpose only.

The bill has been critiqued for going against the very foundation of CSR, namely, its voluntary nature. The biggest concern of practitioners of CSR is that, in the very diverse business culture of India, mandatory CSR will affect natural progress. Instead of steering companies towards a model of creating shared value, the changes in regulations will emphasize the advancement of a charity-based model of CSR, already quite prevalent across much of India Inc. The bill deliberately specifies which activities by companies may be considered CSR. These activities include eradication of extreme hunger and poverty, promotion of education, promotion of gender equality and activities empowering women. Companies can also spend the CSR money to reduce child mortality and improve maternal health, combat HIV/AIDS, malaria and other diseases and ensure environmental sustainability. Moreover, CSR funds can be utilized to impart employment-enhancing vocational skills, or to contribute to the Prime Minister's National Relief Fund, chief ministers' relief funds, or the socio-economic development and relief of Scheduled Tribes, Scheduled Castes, Other Backward Classes, children, women, etc. (in India, the prime minister and chief ministers have relief funds to which anybody can donate, and these funds can be used for developmental and welfare activities).

Different studies have researched the implementation of the CSR law in India. One recent study compared the CSR practices of public and private sector banks in India and ranked their performance. Among public sector banks, the State Bank of India and the Indian Overseas Bank were the top CSR performers, while ICICI was the top performer in the private sector. Both types of banks carried out CSR activities in the fields of education, community welfare and rural development, although public sector banks also contributed in the area of financial inclusion (Kaur and Bhaskaran 2015). Studies have been conducted to determine how CSR can make a significant impact. For instance, the Indian system of education is obsolete and urgent reforms are warranted. Organizations can contribute in this area through CSR by financing research and development, training programmes and workshops, infrastructural development, etc. (Anjula 2014). Research also suggests, however, that very few impact evaluation and social audit exercises are undertaken, and few organizations prepare reports of their CSR initiatives.

### ***3.1.11 CSR in the Swedish Context***

In the Swedish context, CSR is conceptualized as sustainable business practice, and involves environmental protection, active measures to respect human rights, improving work environments and fighting corruption. In 2011, the European

Union Commission defined CSR as the ‘responsibility of enterprises for their impacts on society’ (Sweden.se, n.d.). According to this interpretation, efforts to promote equal career opportunities for men and women, reducing carbon footprints and involvement in local communities are examples of CSR activity. In 2013, Sweden topped the RobecoSAM Country Sustainability Ranking, which ranks 59 countries on 17 indicators based on environmental, social and governance indicators. The scope of the term ‘CSR’ has expanded tremendously to encompass business operations as diverse as addressing corruption in supply chains to local environmental efforts. The Swedish company Electrolux was listed as the world leader in the Climate Counts ranking in 2012. Climate Counts basically ranks companies on 22 criteria including their carbon footprint, impact on global warming and transparency of their environmental efforts. Sweden fares well in energy and environmental technology, ranking third in the *Global Cleantech Innovation Index 2012* (Cleantech Group 2012).

The Swedish government in 2007 became the first in the European Union to demand sustainability reports from state-owned enterprises in compliance with the guidelines of the Global Reporting Initiative. Further, in 2012, the Swedish government asked state-owned companies to set several sustainability goals, with a focus on diversity management, environmental issues, working conditions, human rights, corruption issues, business ethics and gender equality, and to submit their reports by 2014. It further recommended that these initiatives be measurable, relevant and specific (Sweden.se 2013). In 2016, the Swedish Parliament decided to implement a new legislation regarding mandatory sustainability and diversity practices in companies. The law, which came into effect in December 2016, applies to companies that have met two of the following three criteria during each of the last two financial years: (a) at least 250 employees; (b) a net turnover of 350 MSEK; and (c) a balance sheet total of 175 MSEK. Company reports should include information about how the company addresses environmental matters, social issues, employees, human rights issues and anti-corruption matters (Regeringskansliet 2017; Riksdagen 2017).

The Swedish government encourages all private sector companies to follow the guidelines of the Organisation for Economic Co-operation and Development (OECD) for MNCs. Sustainable practices should be driven and owned by the private sector, where each company decides its particular strategies for CSR. Through its Enterprise 2020 initiative, CSR Europe tries to shape the business and political agenda of European businesses on the basis of sustainability, competitiveness and inclusive growth.<sup>1</sup> In line with this initiative, the Swedish government has proposed a ‘Swedish partnership for global responsibility’, which will take responsibility for protecting the environment and for other consequences of business that impact society negatively (CSR Europe 2017).

The concept of CSR has thus been construed very differently in India and Sweden, based on their specific socio-economic and historical contexts as well as

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<sup>1</sup>CSR Europe, ‘Our Mission’. Retrieved from <http://www.csreurope.org/node/7>.

their traditional philosophies. A globalized economy and a welfare state in a developing country may have very different socio-political agendas and ambitions. Discussing how CSR is understood and interpreted in a welfare state context, where traditionally social issues have been the concern of politicians and the state, De Geer et al. (2009) use the Swedish example to illustrate how CSR is understood and interpreted. In a welfare state context, social issues have traditionally been the domains of the state and of politicians. However, CSR is slowly gaining a foothold in welfare states, mainly because of the flexibility of the concept. The practice of CSR also benefits from being codified in soft regulations.

Thus, CSR has evolved as a legitimate supranational point of reference for all relevant actors to create global business arenas. In Sweden, such arenas have been created through the activities of MNCs, NGOs, investors, the media, consultants and other actors. Gjølberg (2010) discusses how CSR has been adapted and transformed to suit the Nordic model of the state–market–society relationship and observes that pre-existing political and economic institutions and cultural norms deeply affect the interpretation of CSR. Combined with ongoing national and international political processes, unique conceptualizations of CSR may emerge. Thus, CSR in Nordic countries is promoted as an instrument of global governance so as to address the regulatory vacuum surrounding transnational business activities. In the process it contributes to sustainable development at the national level. Holmqvist (2009) cites work-site health promotion as a popular strategy of CSR that is helping generate sustainable and responsible organizations through addressing the health and well-being of employees.

Any activity of corporate social responsibility (CSR) can potentially be seen as an expression of organizational control through which all the more aspects of an organization's environment come to be enacted by the organization in a way favorable to the organization's aims and perspectives. By clothing an activity as 'socially responsible', and more specifically as 'health promotion', organizations may accomplish an essential task in a very sublime and efficient way: that of managing its environment in terms of desired and appropriate human behaviours. (Holmqvist 2009, p. 1).

The political economy of different countries and their national agendas largely affect how CSR is operationalized and implemented in each case.

On the whole, CSR as a concept may take on completely different meanings and create associated impacts in branding organizations in different social-political-economic contexts—an aspiring, fast-growing, developing economy like India, and an established, stabilized, developed economy like Sweden. There is, however, a need for global coordination of these efforts to move towards genuine sustainable development (Williams 2014). Successful implementation of CSR initiatives requires community participation as well as commitment to the CSR plan by employees. For this to occur, companies need to brand CSR as a value, and communicate these values to employees who must feel able to identify with such values and share them. This book explores how organizations in the two countries promote CSR as a value by formalizing, communicating, or implementing it, how organizations in different sectors brand themselves using CSR as a value, and how managers' perceptions of CSR practices relate to their perception of the

attractiveness and effectiveness of an organization. In the process, the present research also intends to make a statement about CSR being an important value for promoting global business.

The next part of the chapter deals with approaches to understanding and conceptualizing EO in organizations in the contexts of the two countries under study. It also discusses the evolution and history of the concept of EO and discusses available legislations on EO in the two countries.

### **3.2 Equal Opportunities for Men and Women in the Organization (EO)**

Gender equality has been one of the UN's sustainable development goals since 2015. The UN sees gender equality as a fundamental right, necessary for a peaceful, prosperous and sustainable world (UN, n.d.). For the European Institute for Gender Equality (EIGE), gender equality refers 'to the equal rights, responsibilities and opportunities of women and men and girls and boys' (EIGE, n.d.). According to EIGE, 'equality does not mean that women and men will become the same but that women's and men's rights, responsibilities and opportunities will not depend on whether they are born male or female'.

Equal opportunities can be seen as a gender equality objective, which means an 'absence of barriers to economic, political and social participation on the grounds of sex and gender and other characteristics' (EIGE, n.d.). Further, 'such barriers are often indirect, difficult to discern and are caused and maintained by structural phenomena and social representations that have proved particularly resistant to change' (ibid.).

We focus here on the concept of EO in the organization. The goal of EO in organizations may be achieved 'by dismantling the structural barriers to equality', e.g. in recruitment and advancement (Ely and Meyerson 2000, p. 111). The idea of EO 'is founded on the rationale that a whole range of strategies, actions and measures are necessary to redress deep-rooted and persistent inequalities' (EIGE, n.d.2017).

#### ***3.2.1 The Era of Gender Change in India and Sweden***

According to Raveendran (2016), one explanation for gender inequality is that women are restricted by social norms and the ethos prevailing in society. However, there are indications that we are living in an era of 'gender change', in which 'gender identities, gender performance and gender relations are all taken to be in flux' (Connell 2006a, p. 436).

The era of ‘gender change’ has been evident in India since 1970, especially with regard to the role of women (Nath 2000). This change in the Indian society has tended to give women in India, to a larger extent than ever before, the opportunity to work outside the home, to contribute economically to the family and to have their own career (Kumari and Garg 2013). Today, there is, e.g. increased acceptance among parents with regard to the education of girls, the number of women students in business schools has increased, and more women are joining the workforce. According to Nath (2000, p. 44), women in India are ‘demanding greater equality and status both within the home and outside’. The change is most evident among urban middle-class women. To be able to focus on their careers, educated women in urban areas are marrying later and having children later in life, in comparison with women in other groups (ibid.).

But still, in India, women’s responsibility for the home and family and men’s breadwinner role are especially marked. According to statistics from 2011 to 2012, about 80% of the women who are outside the labour market are involved in domestic duties such as ‘looking after the needs of other members of the household’. Among the men who are outside the labour market, 2.1% take care of domestic responsibilities (Raveendran 2016, p. 6). It is less likely for a woman to be in the labour force if she is currently married and has small children. Due to men’s breadwinner role, married men in India have a high labour force participation rate. Fathers of small children still have a relatively high labour force participation rate in India

The Indian Constitution has for a long time strived to empower women, improve their position and ensure equality for them (Sankaran and Madhav 2011; Raveendran 2016). For example, the main objective of the Factories Act of 1948 is to ensure adequate safety measures and to promote the health and welfare of workers employed in factories (ILO, n.d.). The act also makes provisions regarding the employment of women and young persons (including children and adolescents).

At the beginning of 1970, after identifying the ‘marginalization of women in the economy and society’ as a serious problem, the Committee on the Status of Women in India raised various women’s issues. They noted, e.g. ‘growing disparity in the life expectancy and death rates of men and women and wide disparities in their access to literacy, education and livelihood’ (Sankaran and Madhav 2011, p. 2). Based on a report of the Committee on the Status of Women in India, new legislation—the Equal Remuneration Act—was adopted in 1974. The Equal Remuneration Act ‘provide[s] for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto’ (Equal Remuneration Act 1976). The Indian state has since then enacted laws and policies to safeguard women’s rights in the world of work. The Indian Constitution even empowers the state ‘to adopt measures of positive discrimination in favour of women’ (Raveendran 2016, p. 1).

In India, a provision for maternity leave for 6 months (180 days) grants paid leave to women working in government departments or PSUs, as per Central Civil Service Leave Rule 43(1), which was revised in September 2008. India also offers



leave to fathers according to Rule 43A on paternity leave. A male government staff member (including apprentices) with less than two surviving children may be granted paternity leave by an authority competent to grant leave for a period of 15 days, during the confinement of his wife for childbirth, i.e. up to 15 days before, or up to 6 months from the date of delivery of the child. Additionally, child care leave can be granted to women employees with minor children below the age of 18 for a maximum period of two years (i.e. 730 days) during their entire service, for taking care of up to two children, whether for rearing or to look after any of their other needs like examination, sickness, etc.

Sweden, on the other hand, has a reputation for being a rather gender-equal society. In Swedish society, the dual breadwinner norm has been established. However, there are many gendered patterns also in Swedish society, in the labour market and in homes, and the 'era of gender change' is also evident in Sweden.

Even though almost as many women as men are present in the Swedish labour force, women (29%) work part-time to a larger extent than men (11%). According to Statistics Sweden (SCB 2016), women do one more hour of unpaid work per day than men, while men do 90 min more paid work per day than women. Thus, the amount of time that men and women spend on paid and unpaid work is changing. Since 1990, women have spent more time (30 min) and men less time (45 min) per weekday in paid work. Regarding unpaid work, women spend one hour less and men eight minutes more per week day in unpaid work, in comparison with 1990.

The government in Sweden has outspokenly argued for gender equality. Therefore, Sweden has instituted parental leave allowance that addresses both parents. But the parental leave system has developed in steps. The first step was taken when, in 1901, women got the right to 4 weeks' unpaid maternity leave. Later on, in 1955, working women got 3 months' paid maternity leave on the birth of a child. In 1974, maternity insurance was replaced by parental leave allowance, which addressed the responsibility of both mothers and fathers in taking care of a newborn child. In 1995, it was stipulated that at least one month of parental leave must be used by the mother and one by the father. Today, parents get 480 days in total of paid leave for taking care of newborn children. Three months of these 480 days are reserved for each parent and cannot be transferred. The parental leave allowance can be used until the year that the child turns eight (SCB 2016).

Another legal document that supports gender equality in taking care of children is the Discrimination Act (Discrimination Act 2008: 567). According to the act (Chapter 3, Section 5), 'employers are to help enable both female and male employees to combine employment and parenthood'. However, despite this, and the fact that the parental leave allowance addresses both parents, men use the allowance to a smaller extent than women. In 2015, men availed of 26% and women 74% of the 480 days given per child.

Generally, from 1845 until today, Sweden has taken many steps and implemented various legal measures to promote women's equal rights (SCB 2016). Many of the milestones that have been important in the development of gender equality in Sweden were achieved in 1921. During this year, women got the right to vote, the age of 21 was stipulated as the age at which married women attained majority, and

the new marriage code gave wives and husbands equal legal status. Another milestone was the law of 1999 that prohibited the purchase of sexual services. In 1947, it was decided that men and women who were state employees should have equal pay for equal work, and the law against discrimination in employment based on gender was implemented in 1980. In 2008, this law was turned into the Discrimination Act, which combats discrimination on grounds of gender and transgender identity or expression.

Thus, gender equality in society, at work and in homes has been a political goal in Sweden for decades. Today, the political goal of gender equality is that ‘women and men shall have the same power to shape society and their own lives’ (SCB 2016, p. 2). More specifically, the Swedish government aims at:

1. Equal division of power and influence: Women and men must have the same rights and opportunities to be active citizens and to shape decision-making.
2. Economic equality: Women and men must have the same opportunities and conditions with regard to paid work, which gives economic independence throughout life.
3. Equal education: Women and men, girls and boys must have the same opportunities and conditions with regard to education, study options and personal development.
4. Equal distribution of unpaid housework and provision of care: Women and men must have the same responsibility for housework and have the opportunity to give and receive care on equal terms.
5. Equal health: Women and men, girls and boys must have the same conditions for good health and be offered care on equal terms.
6. Men’s violence against women must stop. Women and men, girls and boys, must have the same right to and opportunity for physical integrity.

Gender equality at work is regulated by the Discrimination Act, (Discrimination Act 2008: 567, with amendments in 2017. The following rules had been implemented until 2016 (when the studies in this book were carried out). According to the Discrimination Act, employers who employed 25 or more persons had to draw up a plan for promoting gender equality and equal conditions for men and women in the workplace. The plan had to be updated every third year and include provisions concerning working conditions, recruitment and pay. Employers were required to ensure that working conditions suited all employees regardless of sex, ethnicity, religion, or belief. Further, employers had to enable men and women employees to combine employment and parenthood, work and family. The act also obligated employers to prevent any employee from ‘being subjected to harassment or reprisals associated with sex, ethnicity, religion or other belief, or to sexual harassment’. It further stipulated that employers should work to ensure that people had the ‘opportunity to apply for vacant positions regardless of sex, ethnicity, religion or other belief’. They should promote an equal distribution of women and men in different types of work and in different employee categories. Finally, ‘when the distribution of men and women is not more or less equal in certain types of work

or in a certain employee category, the employer has to make a special effort when recruiting employees to attract applicants of the under-represented sex’.

The plan was also to concern equal pay. The employer should ‘indicate the pay adjustments and other measures that need to be taken to bring about equal pay for work’ (Discrimination Act 2008: 567). The gender equality plan had to include an overview of actions that were needed, what actions the organization planned to initiate, and a presentation of what had been achieved in the previous gender equality plan.

In 2017, the Discrimination Act was somewhat modified (Diskrimineringsombudsmannen, n.d.). Instead of drawing up a plan, the employer now has to work actively in the same areas as above (working conditions, recruitment and salaries). The employer shall: (a) investigate whether there is a risk for discrimination; (b) analyse what causes the identified risks and hindrance; (c) actively work to prevent discrimination and to promote equal rights and opportunities; and (d) follow up and evaluate the work done in this regard. Additionally, from 2017, if the employer has 10 or more employees, a salary survey has to be performed.

Despite the efforts by the states of Sweden and India to empower women, there is still no gender equality in these countries. However, at a global level, Sweden generally scores high and India quite low on measures of gender equality. One explanation for India’s lower ranking in terms of gender equality may be that alongside changes in the possibilities open to women, traditional roles still persist (Nath 2000).

### 3.2.2 *Gender Gaps Remain*

It is a fact that gender issues are still important all over the world. The *Global Gender Gap Report 2015* (World Economic Forum 2016) annually measures the relative gaps globally between women and men across (a) economic participation and opportunity; (b) educational attainment; (c) health and survival; and (d) political empowerment. Sweden’s overall rank in the ranking of 145 countries is 4 and India’s is 108, which means that the gender gap is quite small in Sweden in comparison with India.

According to the *Global Gender Gap Report*, Sweden has a rather high rate of labour force participation, with 79% of all women and 83% of all men in the workforce (ranking 13). In India, 29% of all women and 83% of all men participate in the labour force (ranking 136) (World Economic Forum 2016). More women than men in India work in the informal sector (94.7% of women vs. 91% of men), and women are more often employed in low-level occupations than men (Raveendran 2016). Sweden is ranked 42 when it comes to wage equality for similar work, which means that women on average earn less money than men do, even though they have similar work. Women in India earn far less than men do, ‘especially among those with low levels of education and in higher age groups’, but

the difference in wages 'is relatively less among formal workers' (Raveendran 2016). India is ranked 129 in wage equality for similar work.

According to the *Global Gender Gap Report*, Sweden overall has smaller gender gaps with regard to men's and women's economic, political, educational and health situation, whereas India scores lower on all aspects with the exception of one criterion: political empowerment. India is ranked second in the world on 'years with female head of state', whereas Sweden has not yet had any female head of state during the last 50 years, even though the country in 2015 ranked first in the world for having the most women in ministerial positions (World Economic Forum 2016). Despite nations like India and Sweden having strived politically for gender equality for a long time, there is still no gender-equal country, and men and women in general do not have equal opportunities in the labour market. From a global perspective, wage gap and gender segregation are the most common inequalities (Acker 2012).

### 3.2.3 *Gender Segregation in the Labour Market*

Gender segregation means that men and women in the labour market have different kinds of jobs (horizontal gender segregation) and that men and women have jobs with different levels of responsibility. Vertical gender segregation is a common pattern in the labour market, where men more often have top managerial positions than women. Societies all over the world have a gender-segregated labour market with an 'unequal distribution of women and men across the occupational structure, including occupations, workplaces, industries and sectors' (Ellingsæter 2013, p. 501).

Already in 1977, Kanter (1977, p. 965) had discussed the importance of considering proportion 'as a significant aspect of social life, particularly important for understanding interactions in groups composed of people of different cultural categories or statuses'. Kanter further discussed the importance of examining the proportion of men and women in organizations. Accordingly, it is important to consider the impact of unequal distribution of men and women in, e.g. a sector, workplace, or occupation. Kanter uses the word 'balanced' for a group at least 40% of which consists of the under-represented sex, and not more than 60% of the other sex. Therefore, in this book we consider a sector, occupation, or workplace as having an equal distribution of men and women when 40–60% of it consists of either men or women (ibid.). According to Reskin (1993, pp. 241–242), segregation is 'a fundamental process in social inequality. The characteristics on which groups are sorted symbolize dominant or subordinate status and become the basis for differential treatment'. Therefore, gender segregation is important for EO in the labour market. India's and Sweden's labour markets are no exceptions in this regard. There are different gender segregation patterns, external and internal.

### 3.2.3.1 Women's Participation in the Labour Market

One external gender segregation pattern concerns the extent to which women participate in the labour market. In Sweden, almost the same shares of men and women participate in the labour market, whereas in India only 29% of women but 83% of men participate in the labour force. These numbers indicate hindrances in Indian society that exclude women from the labour market.

### 3.2.3.2 External Horizontal Gender Segregation: Between Sectors and Occupations

Another external pattern of gender segregation occurs between sectors and occupations, which creates horizontal gender segregation in the labour market (SOU 2014, p. 30). The gendered aspects of sectoral labour markets concern: (a) the number of women (or men) employed as a proportion of the number of women (or men) in the labour market; and (b) the proportion of women and men working in the sector (its gender composition). For example, sectors in which the largest number of women (or men) work may not be the sectors with the largest proportion of women (or men). Depending on the gender composition of a sector, there can be female-dominated sectors (more than half the employees in the sector are women), gender-mixed sectors (around half the employees in the sector are women), and male-dominated sectors (more than half the employees in the sector are men).

In Sweden, even though men and women are employed to almost the same degree, they usually work in different sectors. The health and social work sector in Sweden employs the largest number of women, followed by the educational sector. These two sectors also have the highest proportion of women, and can be regarded as women-dominated sectors. The proportion of women in the Swedish health and social work sector is 82%, while the proportion of women in the educational sector is 73%. The Swedish labour market has some sectors which can be considered gender-mixed, e.g. public administration (57% women), accommodation and food (53% women) and financial and insurance (51% women). Several male-dominated sectors also exist. The most male-dominated sectors are construction (7% women) and mining and quarrying (11% women) (ILOSTAT Database 2010a, b).

In India, there is low participation of women in the labour market; further, sectoral gender segregation in India is different from that in the Swedish labour market. In India, the sectors which employ the largest number of women are agriculture, hunting and forestry and manufacturing. However, these sectors do not have the highest proportions of women. The highest proportion of women is to be found in the category private households as employers (58%), the educational sector (41%) and the health and social work sector (40%). The labour market in India does not have any women-dominated sectors. The three sectors just mentioned with the highest proportions of women may be regarded as gender-mixed. The remaining sectors are male-dominated (ILOSTAT 2010a, b).

The other aspect of external horizontal gender segregation is occupational gender segregation. This gender segregation pattern is an enduring aspect of labour markets globally. 'It exists at all levels of development, under all political systems, and in diverse religious, social and cultural settings'. This gender segregation pattern is 'generally accompanied by lower pay and worse working conditions in female occupations' (Anker et al. 2003, p. 1). Gender stereotypes are often used to explain why men and women end up in different occupations. For example, women are generally seen as more qualified to be nurses, social workers and teachers because of the stereotype that (all) women are more caring than men. Additionally, gender stereotypes can 'disqualify' men and women from particular positions. For instance, a supposed 'disinclination to supervise others, helps 'disqualify' women for managerial and supervisory occupations' (ibid.).

In 2014, 16% of women and 15% of men in the Swedish labour market had occupations that could be considered as having an equal gender distribution (SCB 2016). Further, of the 30 largest occupations in the labour market, only four had an equal gender distribution: salespersons in non-food stores; chefs and cooks; store sales managers and department heads in shops, as well as upper secondary schoolteachers (SCB 2016).

In India, due to the increase in the number of women in the labour force, occupational gender segregation increased in the period from 1993 to 2005 (Agrawal and Agrawal 2015). In their study, Agrawal and Agrawal found that the level of occupational gender segregation in India was higher in the urban sector in comparison with the rural sector. Thus, the authors call for more research on the topic, as occupational segregation in India has not been much studied.

### **3.2.3.3 Internal Horizontal Gender Segregation**

A third aspect of gender segregation is internal horizontal gender segregation, i.e. segregation of men and women within occupations in work organizations and companies (SOU 2014, p. 30). Horizontal gender segregation may show as men and women perform different kinds of tasks regardless of whether they have the same occupation or not. Additionally, organizational segregation can be physical, where men and women work in different locations within the same organization or company (Abrahamsson 2000).

### **3.2.3.4 Internal Vertical Gender Segregation**

Already in 1975, Kanter had said that women in the US generally did not 'hold positions of power and authority in organizations' (Kanter 1975, p. 35). She further observed that the few existing women in management were 'clustered in particular kinds of organizations' (e.g. non-business and non-manufacturing organizations). Kanter also remarked that in organizations in which the workers were mostly women, the managers were likely to be men. Today, research shows that vertical

gender segregation in organizations exists worldwide, as women are still under-represented in top management positions all over the world. In India, there is a lack of representation of women in decision-making positions (Sankaran and Madhav 2011). Exact statistics unfortunately do not seem to be available for India (e.g. ILOSTAT Database 2010b). According to Singh (2003, p. 33), ‘only 3% of the women occupy senior positions in private sector companies across the country’. In Sweden, 37% of all managerial positions are held by women. Most women managers work in non-private organizations (such as municipalities and county council organizations).

### 3.2.4 *Organizational Culture and Gender Regimes*

According to Connell (2006a), an organization’s culture is important for employees’ beliefs about gender differences and equality/inequality. Thus, employees may believe, for instance, that their organization is gender equal, but the facts may show a contradictory trend, e.g. gender wage gaps and gender segregation. Acker (2009) explains that all organizations have inequality regimes which result in and maintain inequalities in the organization. This regime has an impact on gendered behaviour in the organization, as it defines which behaviours are acceptable or unacceptable (Acker 2012). This regime operates regardless of whether organizations have outspoken egalitarian goals or not. According to Acker (ibid., p. 216), the gendered structure in an organization is produced and reproduced in informal and formal interactions ‘between colleagues and between those at different levels of power’.

Connell (2006b, pp. 838–839) argues that gender has ‘little to do with differences in personal characteristics’, but is ‘a pattern of social relations in which the positions of women and men are defined, the cultural meanings of being a man and a woman are negotiated, and their trajectories through life are mapped out’. These patterns affect relations ‘among men and among women, as well as relations between them’. Connell calls the overall pattern of gender relations in an organization its ‘gender regime’, which can reproduce and/or depart from the gender order in the wider society. Based on interviews conducted at public sector work sites in Australia, Connell identifies four dimensions of an organization’s gender regime: gender division of labour, gender relations of power, emotions and human relations and gender culture and symbolism.

1. Gender division of labour: This dimension includes the gendering of occupations and also the division between paid and domestic work. Connell (2006b, p. 842) suggests that the gender division of labour is sustained by processes that may include an ideology of gender. There are, e.g. certain professions within organizations that historically have been seen as women’s work. In these organizations, women’s work is commonly associated with jobs that are repetitive and undemanding, or jobs involving children or care work. Other professions have historically been seen as men’s work. Men’s work is associated

with jobs that are defined as dirty, physically laborious, or involving machinery or high technology. Another aspect of work that also reproduces gender patterns in an organization concerns the design of the labour process. It is difficult for an individual who has the main responsibility for children to take up a position where the job has short deadlines, long hours and frequent travel. As women often have the main responsibility for children, these positions are difficult for them. In these organizations, the division of labour between men and women will be sustained if the ideology of gender is not challenged (*ibid.*), with the organization taking responsibility for supporting employees in combining work and family responsibilities.

2. Gender relations of power: According to Connell's (2006b, p. 842) study, power involves the 'delegation of legal authority, control over budgets, control over hiring staff, the right to 'sign off' on documents and the right to direct other people's work'. Due to vertical gender segregation, the top levels of organizations are occupied by men; accordingly, men mostly make organizational decisions. In organizations where both men and women work, the more powerless and subordinate positions are usually occupied by women. Other kinds of organizations also exist. Connell finds, e.g. organizations where women are to be found at all levels of the organizational hierarchy, even in powerful positions at the top. But when women gain these powerful positions, it is often preceded by struggle because of resistance from men. In Connell's sample, the prevailing culture in Australian society meant that there were men who had difficulties taking instructions from women. Connell also, however, finds examples of men who do not have problems with women managers.
3. Emotions and human relations: According to Connell (2006b), emotions and emotional relationships are also part of an organization's gender regime. Connell finds, e.g. that in organizations which have a history of gender-segregated occupations and career paths, some men experience discomfort when women enter into positions which are not traditionally considered women's work. Connell (*ibid.*, p. 844) also finds units which are not emotionally polarized in this way. In these emotionally non-polarized units, employees feel that that 'men and women get on well together' and that they treat each other like colleagues. These units have a declining gender division of labour and there is 'an ethic of mutual respect among staff'.
4. Gender culture and symbolism: This aspect of the gender regime involves 'the way that gender is understood, spoken of and marked or symbolized' (Connell 2006b, p. 844). Connell finds organizations with different cultures. There are units which have a strong gendered culture which is expressed and spread, e.g. in email messages displaying a sexist humour. Not all employees appreciate this type of gendered culture. There are both men and women employees who are critical of such gendered culture and instead advocate gender integration and equality. In organizations without a strong gendered culture, gender neutrality is present. In these organizations, the language is more formal and the dress code



is neutral in comparison with organizations with a strong gendered culture. Gender-neutral organizations are organizations with a gender-mixed composition.

Connell's (2006b) multidimensional approach is important for understanding an organization's gender regime. Its strength lies in its ability to include both quantitative and qualitative aspects of the gender regime in capturing the gendered processes in an organization. For example, 'gender division of labour' and 'gender relations of power' can be quantitatively measured, allowing us to map the spread of men and women in an organization. If the division of labour is gendered horizontally and/or vertically in an organization, this indicates the need for scrutinizing the qualitative aspects of the gender regime to capture the ideology of gender that exists in that particular organization. An investigation of 'emotions and human relations' and 'gender culture and symbolism' in an organization will additionally yield information about the prevailing gender regime in the organization from a more relational and cultural perspective. In this book, we draw on Connell's multidimensional approach to gender regimes in our study of sample organizations. We use Connell's four dimensions of gender regimes to identify managers' perceptions of EO in our sample organizations.

This chapter introduced the concepts of CSR and EO in the organization. These concepts were defined and presented from an Indian as well as from a Swedish perspective. In the next chapter, we raise the question whether organizational values like CSR and EO are universal or whether they are context-specific.

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# Chapter 4

## Multicultural Perspectives on Attractive Work

### 4.1 Why Culture Is Important in Studies of Attractive Work

Organizational values and attractive work are the main focus areas in this book. We have argued in Chaps. 2 and 3 why we need to examine the significance of organizational values for managers' perceptions of the attractiveness of a workplace. We have also argued that, in a context where organizations and managers act in a global arena, it is important to have insight into whether organizational values hold universal, culture-contingent, or context-specific meaning and significance for managers. Of course, the organizational culture matters. It is rational for organizations to brand themselves as unique. But, is it possible to brand a multinational organization as attractive to all managers regardless of cultural context? In order to answer such a question, an appropriate approach is to compare several contexts, using heterogeneous samples of organizations from different nations and sectors. In the literature, this is normally labelled as cross-cultural studies.

Culture has been defined in several ways in the literature. Most definitions of culture stress the *commonality* among culture members: 'if it ain't shared, it ain't culture' (cited in Dickson et al. 2012). Hofstede (2001) describes culture as 'the collective programming of the mind that distinguishes the members of one group or category of people from another'. Other researchers stress shared meaning systems as most characteristic of 'culture' (Shweder and LeVine 1984), or patterns of human agency; that is, culture refers to unstated but standardized ways of doing things (Triandis 1994). Thus, culture has an impact on individuals' values, preferences, actions and reactions. Consequently, culture should have an impact on what is valued as attractive in organizations.

'Culture' is supposed to be adaptive, and is transmitted over time and generations (Gelfand et al. 2007). Culture is an abstract and structural phenomenon that operates at several levels of analysis. Individuals in the same context are supposed to share some cultural expressions, such as values, attitudes, the predisposition to



act and react in a certain manner. Johns (2006) argues that the social and job task context shapes the individual's attitudes and behaviour. *Contexts* refer to specific situations or circumstances, that is, contexts are not abstract. A certain context can be localized in time and space. Context refers to situations or circumstances surrounding the individual. For example, our target group of operational managers act in management teams, workplaces, organizations, corporations, sectors, labour markets and regions and nations. All these situations are examples of contexts that can be described in a nested multilevel structure. These various layers of contexts all have an impact on the individual's perception of values. Which layer in the overall context is most important in understanding and interpreting perceptions of organizational values and attractive work is an empirical question.

A third overall concept linked to culture and context is *identity*. For example, managers may identify themselves as belonging to a certain class, caste, sex, or ethnic group that may share specific cultural values. Identity, just like culture, can be used in analysis at several different levels, but the term is mainly used to describe individuals and groups. According to social identity theory, individuals internalize groups' values and norms. The internalization leads to homogeneity in attitudes and organizational behaviour (Ashforth and Mael 1989; Hogg and Jerry 2000), which allows the individual to feel loyal and committed to the group. This theory can be used to explore whether values closely linked to identity are shared among professional women and men in managerial positions.

Furthermore, managers may identify themselves as representatives of a specific sector or industry with its own logics and technology. Identification and interaction with other professionals and managers in a particular sector might be a plausible mechanism for the perception and diffusion of organizational values and ideas of workplace attractiveness within that sector, according to the social contagion theory (Burt 1987; Galaskiewicz and Burt 1991). Pfeffer (1991) suggests that job attitudes should be viewed as a consequence of social contagion between persons who primarily interact with each other at work.

Finally, we need to explore the significance of *gendering processes and structures* in organizations in order to understand how organizational values and attractive work are understood by men and women. According to Joan Acker (1992) and other gender scholars, almost every aspect of organizational structures and processes is gendered. The working life is organized along gendered lines, resulting in horizontal as well as vertical gender segregation. Occupations and operations are gendered through culture-specific characteristics, such as expectations regarding behaviour, attitudes and preferences. Similarly, vertical segregation leads to more men than women in higher positions in organizations, and also to different expectations and access to power for men and women (Kanter 1977). Both aspects of gender segregation have an impact on the individual's behaviour and attitudes (Johns 2006). These factors are particularly relevant in comparative studies of women and men in organizations. Social science comparisons tell us more about the situations than about individuals (Billing and Alvesson 2000; Härenstam 2009; Kanter 1977; Lefkowitz 1994). This means that if we are interested in a gender

perspective on organizational values and attractive work, a contextual approach to gendered organizations is needed.

In order to understand organizational values and the impact on workplace attractiveness, different aspects of culture, context and also individuals' status in the organization need to be considered. This book explores and compares two nations, four sectors, as well as women and men in hierarchically nested samples. However, we keep the individual position constant, as we limit the studies to managers. This is because managers are regarded as key actors in shaping and disseminating organizational values that play a role in attracting and retaining suitable employees.

## 4.2 Exploring Whether Values Are Universal or Context-Specific

In empirical studies, the culture concept has to be operationalized. As each individual and each organization is physically located, an easy way is to use the nation as the relevant unit in comparative cultural studies. However, even though cross-cultural studies most often compare national cultures, it is possible that sectoral influences can be stronger than national culture when it comes to attracting and retaining employees. The question here is how to choose contexts that make it possible to explore whether we can talk about universal values in organizations. Such knowledge would help organizations to be attractive as employers for both women and men as professionals and managers. How context-specific should organizations be in order to recruit and retain the managers they need? It is a relevant question in a globalized world where many people work in MNCs that brand themselves in standardized ways. Even if there are universal organizational values, they may be enacted and interpreted differently across cultures depending on how they are communicated and enforced (Mehra and Krishnan 2005). There might be values that, in principle, are perceived similarly in different cultures, but are enacted differently depending on whether they are enforced by law or not (see Gelfand et al. 2007, p. 498). Political institutions can constrain or enforce certain norms, behaviours and beliefs, which is why such aspects should be taken into account (Chappel 2006).

What is meant by culture is seldom problematized, although there are exceptions (Dickson et al. 2012; Gelfand et al. 2007; House et al. 2002). Hofstede's (2001) definition has been criticized for being ethnocentric. The 'nation' concept implies the existence of homogeneous national cultures. However, several studies from India, China and Russia, among others, have demonstrated that, even within a country, there are cultures on the opposing ends of existing models of cultural values, such as power–distance and individualism–collectivism (Singh and Parashar 1997; Singh et al. 2008). Nevertheless, since Hofstede's work on cultural typologies across nations was published in the 1980s, the culture concept in organizational behaviour research has come to be linked to cross-country comparisons. In a review

of cross-cultural studies of organizational behaviour, Gelfand et al. (2007) show that an overwhelming proportion of studies compared nations, or what is labelled as national cultural values, in western and non-western countries. When comparing organizations and employees in different countries, it is possible that other factors besides national culture may explain variations in attitudes and behaviour, as Gelfand and his colleagues conclude in their review. The relevance and applicability of findings from cross-national comparative studies should be questioned (Minkov and Hofstede 2011). Cross-cultural research has been criticized for homogenizing cultures and failing to consider intra-national phenomena (Tung 2008). Further, in a globalized world, it is possible that cultural values may develop and become institutionalized in other contexts than nations. This means that cross-cultural studies seeking to understand the impact of culture should adopt a multilevel approach based on the analysis of phenomena at the micro, meso and macro levels (Dickson et al. 2012).

Although the individuals and organizations under study within each country share the same national culture, there may be regional and local variations that have a large impact on cultural expressions. In particular, meso-level phenomena should be explored in order to avoid underestimation or overgeneralization of cross-cultural effects in studies that only compare nations (Dickson et al. 2012). Variations might be linked to the occupational group or hierarchical position of the respondents, sector-specific characteristics, or demographic composition of the staff—factors that characterize the culture of the studied organizations. Some studies also use ethnic groups (such as Hispanic-Americans and African-Americans) or ideologies (such as capitalist or collectivist western countries). Religion occurs as a cultural factor in a couple of studies. One study of leadership found variance in cultural values that could be explained by hierarchy (Den Hartog et al. 1999), and another tested and found variance in cultural values that could be explained by the type of industry (He et al. 2004). However, almost all studies link culture to nation or ethnic groups, even if a few also test other factors as moderators, or examine interactions with other contextual factors.

Cross-cultural studies explore certain values that are thought to be culture-dependent. Most commonly studied are the values identified by Hofstede: power–distance, individualism–collectivism, masculinity–femininity, conservatism, uncertainty avoidance and future orientation (Dickson et al. 2012). It is difficult to believe that such values are shaped only by the nation where you live. As mentioned earlier, there are also large variations within nations. But such thinking is often based on the idea that culture is something that is linked to the place where one lives, or to the country that issued one's passport. In the contemporary world, work is central to most people's lives, both women and men. The link to the labour market varies tremendously, yet most people's lives are highly affected by their position in the labour market. Certainly, cultural values, attitudes and preferences, such as uncertainty avoidance, individualism, or collectivism, should also be affected by a person's position in the labour market. Labour migration and precarious work are growing phenomena that lead to large parts of the population having to live apart from their families, just to survive or to allow their children to

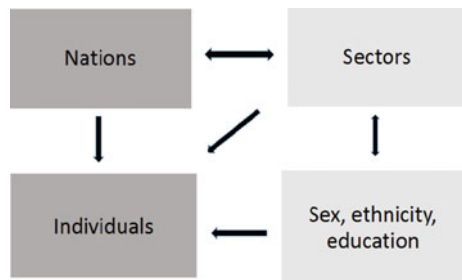
be educated. This means that perceptions of attractive work among persons with low-status jobs are influenced by their position in the labour market, rather than by the type of industry they work in, or the country where they work. For core professionals, such as physicians and nurses in health care and engineers in construction companies, the sector where one works claims high involvement, loyalty and shared company values. For these groups, we can suppose that cultural values that are domain- or sector-specific, rather than national cultural values, affect the individual’s value systems.

Therefore, cross-cultural research on organizational behaviour might gain from ideas in SIT (Ashforth and Mael 1989). Social identity theory shares with cross-cultural theories the idea that values are shared between individuals in groups. According to SIT, the group’s values and norms are internalized by its members, which leads to homogeneity in attitudes and behaviour. Managers and workers in an organization or in a particular type of industry may identify themselves as IT professionals, academics, engineers, HR professionals, or even as temp workers and migrant workers. Such identities might be more influential in shaping shared values, norms and organizational behaviour than national identity. Therefore, complex multilevel approaches are needed that factor in values other than national values in cross-cultural studies of organizational behaviour. Subsequent chapters will develop the methodology further and also present the empirical results.

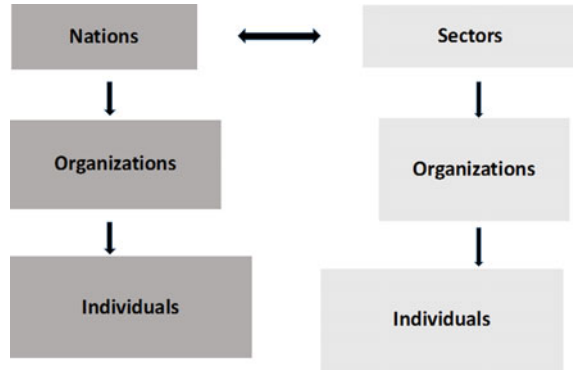
### 4.3 Two Approaches

There are several ways to apply a multifaceted comparative design. One possibility is to select one type of context (for example, nations) as the main cultural dimension and treat other types of contexts (such as industries or sectors, and maybe also organizations with different gender compositions) as moderating factors in the analysis. This approach is quite common; for example, many studies use individual sex, occupation and position as control variables, or test the moderating effect of sector in analyses of national culture study samples. Figure 4.1 illustrates this approach. The dark grey boxes reflect the contextual and analytical levels of the main analysis, while the light grey ones reflect the variables used as moderators or

**Fig. 4.1** Culture + Context  
(Prepared by the authors)



**Fig. 4.2** Cultures (Prepared by the authors)



confounders. In this type of analysis, the impact of the organization itself is seldom directly explored. Individuals are selected within sectors and nations.

Another approach is to treat several cultural contexts in the same way in order to test which type of cultural context (such as nation, sector, or organization) is the most important for the individual's perception of values. This approach is illustrated in Fig. 4.2. A nested selection of organizations within industries is critical to this approach. In each nation, the same sectors are selected and, within these sectors, a similar and sufficient number of organizations are selected. In the third step, individuals within each organization are selected. Stratified nation-wise and sector-wise analyses are undertaken as well as multilevel analyses in order to specify whether the variance of the outcome (such as managers' perceptions of workplace attractiveness) can be attributed to the organizational level. The research question that is addressed by this strategy is whether the effect of organizational values on workplace attractiveness can be understood as universal, or as specific to nations or sectors, or both. It is also possible to get more accurate estimates of organizational and individual-level explanatory power vis-à-vis the outcome. This approach needs a strategic and theoretically motivated sample, and is the one used in our studies as described in what follows.

#### 4.4 Choice of Contexts

In this section, we argue for two types of cultures (national and sectoral) and why they should be treated and tested in the same way. Studies of this type have several methodological implications that are presented in depth in subsequent chapters of the book. One of these implications involves the sampling of entities to study.

It is difficult to reveal true general patterns in studies of social phenomena. Comparative research based on the strategic selection of entities for comparison helps to identify the phenomena that are in focus. By comparisons of strategically selected samples in different contexts, it is easier to detect what is general and what

is unique (Danermark et al. 2002; Mills et al. 2006). This means that selection should be made with contrasts in some aspects, such as national cultures, and similarities in others, such as sectors and occupations. If samples vary in many aspects at the same time, it is more difficult to interpret the differences found.

#### **4.4.1 Nations**

Two countries have been chosen for the analyses presented in the book. Two entities are the minimum needed for comparisons. Ideally, more countries should have been included. However, India and Sweden have been chosen for theoretical reasons, as described in Chap. 1. According to earlier research and ranking lists, Sweden and India are in extremely different positions with regard to economic development and gender equality.

#### **4.4.2 Sectors**

We expect that the value of work might differ between sectors. Consequently, to explore variations, contrasting examples of sectors should be chosen. We first selected sectors with comparable organizations in both countries. In the next step, we aimed at variations in work objects, technologies and rationalities. All three aspects might have an impact on the perception of organizational values as well as of workplace attractiveness. These principles of selection would also yield variations in the gender composition of the staff, since gender segregation in working life is closely linked to the work objects, rationality and technology used in the operations (Björk 2013; Hasenfeld 1983; Kankkunen 2014; Thompson 1967; Waerness 1984). We have chosen IT/high-technology consulting firms, manufacturing companies, healthcare organizations (hospitals) and higher education institutions (universities). These four sectors vary in their work objects (humans, things and symbols; see Kohn and Schooler 1983) as well as in the type of technology, rationality and gender composition. We know that both in India and Sweden, many more men than women work in manufacturing industries; the opposite pattern is found in health care; while universities and the IT sector are more mixed in this regard, or are at least moving in the direction of more women coming in (see Chaps. 6–9 on the statistics for each sector).

#### **4.4.3 Gender**

In the present study, we are interested in taking gender into account, both to explore whether women and men differ in their perceptions of organizational values and

their impact on workplace attractiveness, and to compare industries with different gender compositions. According to gender theory, status varies with greater access to power, higher salaries and better career prospects and so on, in male-dominated industries (Björk 2013; Kanter 1977). This is valid in both India and Sweden. Thus, we will treat gender as a phenomenon to be explored in the analysis in two ways (the manager's individual sex, and gender composition as a characteristic of the organization), but nation and sector are the two main types of cultures that we will explore and compare. In the next section, we delve into the specific research questions and the rationale behind the research design and analysis.

## 4.5 Research Questions and Analysis Strategy

It is important to know whether organizational values are perceived and interpreted in the same way, independently of the respondent's characteristics and context. This knowledge is needed in order to perform studies that yield generalizable results. Thus, psychometric tests like invariance testing and also qualitative studies like cognitive interviews, where the significance and interpretation of organizational values are explored, should be performed. Another complication in cross-cultural studies of groups using different languages is translation. It is important to address this problem properly in order to avoid possible deviations between the groups that are compared, which can be a matter of language and translation. All these issues have been addressed in a method study that preceded the main study (see Chap. 5).

Normally, cross-cultural studies compare national samples as the main category of analysis. In the present book, we begin the empirical investigation by exploring sectors. We thus organize the chapters sector-wise, comparing Indian and Swedish managers in a descriptive manner. The objective is to contextualize the questions under study. In practice, managers and HR experts who work with employer branding in organizations naturally seek knowledge particularly about their own sector. Testing whether organizational values are universal or nation- and sector-specific, as we do in this book, is more a scientific project.

As argued earlier in this chapter, we also explore whether the values are relevant for both women and men with different backgrounds. In an earlier study of professionals in Sweden, it was found that there were very small gender differences within each profession and sector. Those who worked in the public sector, particularly in human services occupations, valued benefit to society higher than private sector employees. However, as occupations were either male- or female-dominated, just comparing women and men showed large differences in work values (Aronsson et al. 1999).

These examples illustrate that undertaking only national and gender comparisons can lead to wrong interpretations. Instead, several types of analyses need to be performed. Below, we present a procedure and methods that have been applied in the studies presented in this book, which we recommend for future cross-cultural organization research when multifaceted cultural aspects are taken into account.

First, we will describe the four sectors, one at a time (Chaps. 6–9). We will show how the organizational means of the values are distributed in Sweden and India. We will also similarly show how workplace attractiveness and performance are perceived in organizations in India and Sweden. These analyses aim at providing a contextual understanding of whether organizations within a particular sector in Sweden and India are homogeneous, and whether they rank high or low in their perceptions of the values and the outcomes.

In the second step, we raise the following research question: are the values relating to CSR and EO *organizational* values, or do they vary between individuals independent of the organization in which they work? That is, do managers in the same organization share their perceptions of these values? If they don't, it is not relevant to go on to exploring contextual factors in multilevel analyses that might explain cross-cultural similarities and differences in our sample of managers nested in organizations by type of industry and nation. If managers in the same organization do not perceive organizational values similarly, the very idea of branding certain values so as to attract or retain managers will not hold. If analysis shows that managers do not share, at least to some extent, perceptions of values, we have to look for other explanatory factors at an individual level, such as education, sex, family situation, job demands, career ambitions, etc. However, in the present book, we focus upon contextual cultural factors. This does not mean that we deny that individual factors have an impact, but it is not our main focus. We will handle this by taking individual factors into account by adjusting for some such factors, but we will not explicitly explore and explain their impact.

The third step is to explore whether organizational values relating to CSR and EO are important for managers' perceptions of workplace attractiveness and performance. We need to establish the link between organizational values and managers' perceptions of what characterizes an attractive workplace. This is the key question for all the other analyses.

The second type of analysis that we performed, as shown in Chap. 11, demonstrates that some of the variance between managers can be attributed to the organizational level. Following from this, the fourth question to answer is: are organizational values universal, and are they perceived uniformly? Or are these values specific to sectors and nations? If they are not universal, what matters most—the national influence or the sectoral? Here we compare sectors and nations in our analysis of CSR and EO. As described above, we will take individual factors such as age, sex, family situation and managerial position into account, but it is the national and sectoral impact upon which we focus.

The fifth and last step of our research is to explore whether the significance of organizational values for attractiveness and performance is universal or specific. Here we also raise the question: is the national influence or the sectoral influence most important? The answer might vary between the different values and outcomes. These variations might be explained by different mechanisms. For instance, they may have to do with how the values are enacted by policies and regulations. In Sweden, gender equality is enforced by law. This might mean that EO is taken for granted and thus does not have an impact on workplace attractiveness. In India,



CSR is enforced by law, which may mean that this value is taken for granted and does not influence perceptions of workplace attractiveness. The opposite might also be the case: law enforcement might mean that there is a consciousness about these values, which in turn could mean that they are indeed influencing workplace attractiveness. Another possible explanation for variations has to do with different aspirations. It is possible that EO is regarded as less important in cultures with high gender equality according to the principle of motivation factors (Herzberg 1966). If this is the case, the impact of EO on organizational commitment should be lower in Sweden than in India, and in more mixed-gender sectors like education and IT compared to the female-dominated healthcare sector or the male-dominated manufacturing/technical sector. The opposite hypothesis is also possible: where there are high expectations of EO, like in Sweden and in mixed-gender sectors, the impact of EO on organizational commitment and performance is very high. This last hypothesis has some support from earlier studies of work–family conflict in comparative studies of several European countries (Nordenmark 2013).

As described earlier, we take individual factors, such as age, sex, family situation and job demands, into account but it is the national and sectoral impact upon which we focus. We can also assess the variance between organizations within sectors and nations. In order to strengthen the contextual approach, we take the workplace setting into account and explore not only the effect on individual managers' perceptions of values, but also the average perception of all managers at the workplace. This approach uses average estimates as a proxy for organizational culture. If we had a within-nation or within-industry sample in the analysis of how organizational values affect managers' perceptions of workplace attractiveness, we would have chosen more sophisticated measures of organizational culture. The uniqueness of organizational culture is indeed very important, but in the present book the focus is on multicultural comparisons, and thus we are more interested in the macro-level aspects of culture, such as national and sectoral culture.

## 4.6 Summary of the Contextual Approach

1. This approach entails descriptive sector-wise analyses of the indexes of values and outcomes, aiming at the sector-wise understanding of the phenomena under scrutiny.
2. We explore whether values are shared between managers in the same organization, that is, whether variance can be attributed to the organization level.
3. We explore the impact of organizational values on managers' perceptions of workplace attractiveness and performance.
4. If an organizational impact is found in step 3, we test if the values are universal or specific to certain contexts. If not universal, what influences how these values are perceived: nation, sector, or organization?

5. If organizational values have an impact on how managers perceive workplace attractiveness, we test whether this result is valid in different cultural contexts (that is, in the two countries and in different sectors).

## 4.7 Concluding Remarks

In our globalizing world, we need to develop theories of intercultural comparison that explain how nation, sector and gender are interrelated and can help to explain variations in values and behaviour between organizations. The approach presented here is a response to ‘the challenge to develop theories and conduct research that can help us capture the level of sophistication, complexity, and dynamism occurring in cross-cultural phenomena in organizational contexts’ (Gelfand et al. 2007, p. 498). In the next chapter, the methods and material will be presented in detail.

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# Chapter 5

## Study Design and Methodologies

### 5.1 Values as Perceived Organizational Practices

In this book, we consider CSR and EO as organizational values and try to understand the differences in the perceptions of managers from different sectors and countries regarding the practice of these values. Different values generate different ethical behaviours, and are used to evaluate our own behaviour and that of others (Nelson et al. 2016). Values are enduring beliefs that a specific mode of conduct or end state of existence is personally or socially preferable to a contrary mode of conduct or end state of existence (Rokeach 1973). In particular, instrumental values reflect the means of achieving goals, that is, they represent acceptable behaviours that can be used to achieve some desired end state. In the organizational context, acceptable behaviours to achieve desired goals are guided by the values promoted by the organization.

Values are also defined as beliefs about what is desirable or ‘good’ and what is undesirable or ‘bad’. Values, beliefs and assumptions provide structure and stability to people as they attempt to understand the world around them (French and Bell 2001). Values are beliefs or convictions that guide behaviour and support the overall organizational vision. Values help define or describe the desired culture; further, they communicate what is important to the organization as well as what key practices and behaviours will be recognized and rewarded (Singh 2010). Work values influence individuals’ perceptions of right and wrong on the job (England 1967). Values also have profound effects on job choices. Traditionally, pay and advancement potential have been considered as having the strongest influence on job choice decisions. Judge and Bretz (1992), however, report on the basis of their research that three other work values—achievement, concern for others and fairness—have a greater influence on job choice decisions than pay and promotion opportunities. In this study, we regard CSR and EO as values which are close to expressions of

fairness and concern for others. We further seek to understand organizational values by exploring managers' perceptions of organizational practices regarding such values.

## 5.2 Challenges Associated with Cross-cultural Research

### 5.2.1 *The Necessity of Measurement Equivalence*

People in communities, like nations, share experiences and exposure to values by growing up and being socialized within a certain cultural context. This means that individuals within such cultural contexts can be expected to hold certain values, beliefs and worldviews in common. As individuals, we view and understand the world through our previous experiences, values and beliefs. Thus, we see the world through a cultural lens, and people with different cultural backgrounds do not necessarily have the same interpretations of a common stimulus.

This is also true when individuals are asked to report on various issues in survey research studies. Respondents with different cultural backgrounds will understand each questionnaire item (a question or statement) based on their own cultural lenses, and respond to the item based on their understanding. Thus, when performing research involving participants from different cultural backgrounds, researchers cannot take for granted that the participants understand the constructs or the questionnaire items in the same manner. For researchers who wish to compare phenomena between different cultural contexts, this poses a considerable challenge. The researcher needs to sort out differences in the measurement process from differences in the substantial phenomena studied. Thus, in order to make meaningful group comparisons, it is important to have *measurement equivalence* (Lee et al. 2011). This implies that the phenomena studied need to bear the same conceptual meaning across cultures, and that the questionnaire items used need to have the same importance for each studied group in relation to the studied construct. Ideally, the measurement of constructs in cross-cultural research should be based on measures that are culturally invariant so that differences in reports can be interpreted as true differences in the phenomena studied, and are not artefacts of various biases in the measurement procedure.

### 5.2.2 *Different Types of Threats to Measurement Equivalence*

Different types of threats to measurement equivalence have been described. Such threats, or biases, introduce nuisance in the measurement and render the construct not directly comparable across cultures (Van de Vijver 2011). Bias can come from

the construct itself, the methods applied or the items used to measure the construct. Construct bias means that a construct differs, or lacks a shared meaning, across cultures. This could be because constructs may be inseparably linked to their natural context, or are associated with phenomena specific to a cultural group and therefore lack meaning outside this context. Constructs can also take on different expressions across groups and therefore not be fully comparable. Method bias refers to nuisance factors connected to the sample, the administration or the instrument. Thus, respondents may have different preconditions when they approach the instrument, for example, differences in knowledge or experiences. The administration process may involve different conditions. Item bias occurs 'if respondents from different cultures with the same standing on the underlying construct ... do not have the same score on the item' (Van de Vijver 2011, p. 6). Thus, for measurement equivalence, an item intended to measure a certain construct should give the same information across cultures.

### 5.2.3 *Procedures to Identify Measurement Equivalence*

Procedures to identify measurement equivalence involve qualitative methods as well as statistical methods. Qualitative methods involve collecting information through cognitive interviews or focus groups. Cognitive interviews have been used in the present project, and are described in a later section in this chapter. Statistical approaches can be found within the framework of structural equation modelling and, more specifically, using confirmatory factor analysis (CFA), which involves both the covariance and the mean structure of the latent variable system (Lee et al. 2011; Van de Vijver 2011). Confirmatory factor analysis is a theory-driven statistical method where the researcher specifies a model showing how observed variables (*manifest variables*) are expected to relate to one or more unobserved variables (*factors, latent variables*) representing theoretical constructs (Kline 2005). The latent variables are specified as predictors of the manifest variables, and each relationship is expressed as a regression equation where the regression coefficient is labelled as the factor loading. When means are included in the data, the intercepts are also estimated. The extent to which the specified model fits the empirical observations is evaluated with various *fit indices*. The fit indices show the discrepancy between the observed and the estimated covariance matrices. If the discrepancy is low, it can be concluded that the hypothesized model is a good representation of the empirical observations. Confirmatory factor analysis models can be expanded to comprise several groups. In multigroup CFA models, various parameter estimates can be compared between groups and evaluated for similarity (*ibid.*). Such comparisons make it possible to test different kinds of measurement invariance systematically.

### 5.2.4 *Measurement Invariance*

There are several types of invariance that can be addressed in a CFA framework, but the most frequently described in the literature are configural, metric, and scalar invariance (Lee et al. 2011; Meredith 1993; Van de Vijver 2011; Vandenberg and Lance 2000). Configural invariance means that each factor (latent variable) is associated with the same set of items across groups. This is supported when the factor structure is invariant across groups. The implication is that the factors have the same conceptual meaning across groups.

Metric invariance, also called weak factorial invariance (Meredith 1993), means that the same unit of measurement is valid across groups. Metric invariance is supported if the factor loadings for identical items are invariant across groups. This level of invariance implies that it is meaningful to compare correlations and regression coefficients across samples.

Scalar invariance, also called strong factorial invariance (Meredith 1993), means that the same scale of measurement is valid across groups. This is supported if the intercepts for identical items are invariant across groups. This level of invariance has the important implication that it is possible to compare mean scores across samples.

## 5.3 Empirical Studies and Major Research Questions

This book is based on four empirical studies, two of which applied a quantitative methodology, while the remaining two applied a qualitative methodology. The target group for all four studies was managers in organizations in India and Sweden. Managers were chosen as respondents for the studies due to their role as representatives of organizations and key agents for affecting values and practices in their organizations. We studied two broad value concepts: CSR and EO. The following studies were conducted:

- The first survey questionnaire study: In this study, we collected questionnaire data from managers in India and Sweden. Managers were asked to assess their organizations with regard to how the values of CSR and EO were embodied in practices and procedures. The aim was to investigate to what extent expressions of organizational values could be measured in a way that made comparisons possible between different cultural contexts, i.e. India and Sweden.
- Cognitive interviews with managers: In this study, based on the method of cognitive testing, we asked managers for their understanding of value concepts and questionnaire items measuring the practices and procedures associated with these value concepts. Based on the first questionnaire study and the cognitive interviews, measures of perceptions of organizational practices expressing these values were further developed and fine-tuned, to be used in the second questionnaire study.

- The second survey questionnaire study: This questionnaire study was aimed at further testing for invariance between the cultural contexts of India and Sweden. It then sought to apply the analytical framework described in Chap. 4 to investigate the relationships between expressions of organizational values, attractive organizations and organizational performance.
- Interviews with HR managers: In this interview study, we approached HR managers for information on the socio-demographic composition of the organization. We also explored managers' practices concerning the formalization, communication and implementation of the targeted organizational values in their organizations.

## 5.4 The First Survey Questionnaire Study

### 5.4.1 *Study Design and Sample*

In studying differences in the expression of organizational values between the two cultural contexts of Sweden and India, measurement equivalence is a necessary condition for valid interpretation. Therefore, in study 1, the aim was to investigate to what extent CSR and EO could be measured in a way that made comparisons possible between different cultural contexts. A survey questionnaire study was performed in 2012–2013, directed to managers in India and Sweden. We strived to obtain diverse samples from several organizations in different industries in India and Sweden. In the Indian data collection, 150 managers from the sectors of education, public administration, manufacturing, health and social work, outsourcing, HR consultancy, finance and insurance and hospitality responded to the questionnaire. In the Swedish data collection, 176 managers responded to the questionnaire, mainly from public administration and manufacturing. The Indian managers were younger than the Swedish managers; 66% of the Indian managers were below 35 years as compared to 14% of the Swedish managers. The proportion of female managers in the Indian sample (51%) was similar to the Swedish sample (51%). The level of education was high and was approximately similar in both samples; 65% of Indian managers and 70% of Swedish managers had completed postgraduate studies.

### 5.4.2 *Instruments*

The focus of the study was on the organizational values of CSR and EO. But, as explained above, we did not measure values directly. Instead, we addressed expressions of CSR and EO values by assessing managers' perceptions of organizational practices concerning CSR and EO. Such organizational practices could



be viewed as manifestations of the underlying values in the organization. In order to measure these organizational practices, we asked the managers to report on what they saw and heard in their day-to-day work. Thus, we did not ask managers for their opinion or attitudes towards CSR and EO. Instead, we asked managers to act as *observers* of how things were handled in their organizations. This approach has the advantage of being less influenced by individual managers' own ideas, instead describing in a more objective way what occurs in the organization.

#### **5.4.2.1 Perceptions of CSR Practices in the Organization**

Corporate social responsibility can be defined as corporate behaviour that aims to affect stakeholders positively, and that goes beyond the organization's economic interest (Turker 2009). Stakeholders can be within the organization (employees) or external to the organization (the society, the natural environment, future generations, NGOs and customers/clients). Our intention was to construct separate measures for stakeholders within the organization (internal CSR) and those external to the organization (external CSR). The items for measurement of internal CSR originate from a scale of caring ethics as reported by Haas et al. (2002) and from the scale of 'responsibilities to employees' as reported by Turker (2009). The items for external CSR originate from Turker (ibid.). All items are reported in Table 5.1.

#### **5.4.2.2 Perceptions of EO Practices in the Organization**

The measures of EO practices were based on the theoretical framework presented by Connell (2006). Connell describes the context of development of events, relationships and practices in an organization as the 'gender regime'. Such a gender regime could be described in four dimensions: gender division of labour, gender relations of power, emotions and human relations and culture and symbolism. These dimensions have been described in Chap. 3.

We did not find any published questionnaire that operationalized this conceptual framework, so we had to develop a new one. We formulated 15 items (see Table 5.2) that described various manifestations of the dimensions proposed by Connell. These items were provided to the managers in the first study in order to evaluate to what extent these items could operationalize EO practices in organizational contexts in India and Sweden.

### **5.4.3 Analysis**

Descriptive statistics, exploratory factor analyses and reliability analysis were performed using SPSS v.18. Structural equation modelling was used for testing the dimensionality of the constructs as well as for testing for measurement equivalence.

**Table 5.1** Questionnaire items in study 1 for measurement of perceptions of CSR practices in the organization

Item number in study 1	Item	Hypothesized dimension	Final dimension
	I work in an organization ...		
D32	... which encourages collaboration within the organization	Internal	<sup>a</sup>
D33	... which shows respect for individual rights	Internal	CSR_care
D34	... which has a long-term approach in employer–employee relationships	Internal	CSR_care
D35	... which takes social responsibility for its employees	Internal	CSR_care
D36	Our organizational policies encourage the employees to develop their skills and careers	Internal	CSR_dev
D37	The management of our organization is primarily concerned with employees’ health and well-being	Internal	CSR_dev
D38	Our organization supports employees who want to acquire additional education	Internal	CSR_dev
D39	The employees in our organization receive a reasonable salary to maintain an acceptable quality of life	Internal	Unclear <sup>b</sup>
D40	Our organization makes an investment in creating a better life for future generations	External	CSR_ext
D41	Our organization implements special programmes to minimize its negative impact on the natural environment	External	<sup>a</sup>
D42	Our organization targets sustainable growth, which considers future generations	External	CSR_ext
D43	Our organization supports non-governmental organizations working on vulnerable social issues.	External	CSR_ext
D44	Our organization contributes to campaigns and projects that promote the well-being of the society	External	<sup>a</sup>
D45	Our organization encourages its employees to participate in voluntary activities.	External	<sup>a</sup>
D46	Our organization emphasizes the importance of its social responsibilities to the society	External	CSR_ext
D47	Our organization respects customer/client rights beyond the legal requirements	External	Single item <sup>b</sup>
D48	Our organization provides full and accurate information about its products/services to its customers/clients	External	<sup>a</sup>
D49	Customer/client satisfaction is highly important for our organization	External	<sup>a</sup>

*Internal* CSR with regard to stakeholders within the organization (i.e. employees); *External* CSR with regard to stakeholders external to the organization (i.e. future generations and society); *CSR\_care* Caring for employees; *CSR\_dev* Supporting employees’ development; *CSR\_ext* Organization’s responsibilities for future generations and the society

<sup>a</sup>Item discarded based on the testing procedure. <sup>b</sup>Item discarded based on the testing procedure, but anyhow passed along to study 2 for a second testing

Maximum likelihood estimation as implemented in AMOS 18 (Arbuckle 2007) was used. The overall fit to the observed data of the various measurement and structural models was assessed using the normed chi-square statistics (e.g. the chi-square divided by degrees of freedom), the Bentler comparative fit index (CFI), the Steiger-Lind root mean square error of approximation (RMSEA), and Kline (2005). Based on Kline's values of the normed chi-square statistics between 2.0 and 5.0, a CFI value greater than or equal to 0.90, and values of RMSEA below 0.08, were regarded as indicating a reasonable model fit. When testing for difference in model fit, the relative fit of two models was decided by the difference in CFI and the chi-square difference statistics (Kline 2005).

Multigroup CFA models were set up to test for each level of measurement equivalence. Each group was defined as responses from managers in India and Sweden respectively.

Model 1—configural invariance: The same model configuration was applied to both groups, i.e. the same number of latent variables and the same relationships between the latent variables and the manifest variables. The model consisted of latent variables representing the latent construct, and manifest variables consisting of managers' answers to specific questionnaire items hypothesized to indicate the latent construct. Furthermore, residual variables (errors) represented the variation in the manifest variables not accounted for by the latent variable. No constraints were put on factor loadings or intercept, i.e. these parameters were allowed to take different numerical values in each group. For the latent variables, the mean was constrained to 0 and the standard deviation to 1 in both groups. Configural invariance was evaluated by means of various fit indices, as described above, indicating the overall fit of the model.

Model 2—metric invariance: This model had the same configuration as Model 1, but the factor loadings were constrained to be equal in both groups, i.e. in the Indian sample and in the Swedish sample. Also in this model, the latent variable means were constrained to 0 and the standard deviations to 1 in both groups. This model, with constraints on factor loadings, was evaluated against Model 1 with free factor loadings. If the difference in model fit was small, the conclusion was that the factor loadings are similar across samples within random variation. This means that the same factor loadings can be applied in both samples, and thus that the measure fulfills metric invariance.

Model 3—scalar invariance: This model had the same configuration as Model 2, but, in addition to constrained factor loadings, the intercepts were also constrained to be equal in both groups, i.e. in the Indian sample and in the Swedish sample. Another difference in Model 3 was that the constraint on the latent mean was released in one group, but kept constrained to 0 in the other group as a reference. In our application, with managers from two countries, the mean was set to 0 in the Swedish sample, and the latent means were estimated freely for the Indian sample. This model, with constraints on factor loadings and intercepts, was evaluated against Model 2 with constraints only on factor loadings. If the difference in model fit was small, the conclusion was that the intercepts were similar across samples

**Table 5.2** Questionnaire items in study 1 for measurement of perceptions of EO practices in the organization

Item number in study 1	Item	Hypothesized dimension	Final dimension
	I work in an organization ...		
D59	... where men's and women's voices are equally important	HR	EO_rel
D60	... in which men and women are equally respected	HR	EO_rel
D61	... where managers are equally sensitive to men's and women's personal needs	HR	EO_rel
D62	... where colleagues outspokenly reject sexist comments or jokes	CS	EO_rel
D63	... where employees see it as appropriate to talk about gender issues	CS	<sup>a</sup>
D64	... where managers emphasize the importance of gender issues in the organization	CS	<sup>a</sup>
	I work in an organization which in a trustworthy way strives for ...		
D65	... equal numbers of men and women in all types of jobs	DL	<sup>b</sup>
D66	... men's and women's equal employment opportunities.	DL	<sup>b</sup>
D67	... men's and women's equal working conditions	DL	<sup>a</sup>
D68	... men's and women's equal representation on boards	P	EO_quant
D69	... men's and women's equal representation in managerial positions	P	EO_quant
D70	... men's and women's equal opportunities for job advancement	P	EO_form
D71	... equal evaluation of men's and women's performance	P	EO_form
D72	... men's and women's equal pay in relation to competence and task	P	EO_form
D73	... men's and women's equal influence over decisions	P	EO_form

*HR* Emotions and human relations; *CS* Culture and symbolism; *DL* Gender division of labour; *P* Gender relations of power; *EO\_rel* Equal opportunities in informal relations; *EO\_quant* Equal quantitative representation in vertical division of labour; *EO\_form* Equal opportunities in formal procedures and relations of power

<sup>a</sup>Item discarded based on the testing procedure. <sup>b</sup>Item discarded based on the testing procedure, but anyhow passed along to study 2 for a second testing

within random variation. This means that the same intercepts can be applied in both samples, and thus that the measure fulfils scalar invariance.

### 5.4.4 The Dimensionality of CSR Practices in Study 1

Exploratory factor analysis showed that the concept of CSR practice was clearly multidimensional. More than two dimensions were required to account for the variation among the items; in fact, four factors were suggested both in India and in Sweden. All items loaded over 0.40 in the first principal component, both in India and in Sweden, showing that there was a common underlying CSR factor.

We estimated a series of confirmatory factor models, each model with an increasing number of factors. All models were estimated separately in the Indian sample ( $n = 137$ ) and the Swedish sample ( $n = 168$ ), based on data from respondents with complete observations on the CSR items. For items and hypothesized dimensionality, see Table 5.1. Model fit for estimated models is shown in Table 5.3.

We started with a two-factor model representing internal and external stakeholders and 18 manifest variables. This first model showed a bad fit in India (Model 1i) and an even worse fit in Sweden (Model 1s). Modification indices showed that internal CSR had a more fine-grained structure in both India and Sweden, and should be divided in two dimensions. There was a very high correlation (0.92) between the latent variables in India ( $r = 0.92$ ), but a more modest correlation in Sweden ( $r = 0.54$ ). A two-factor model was obviously not a good representation of the data either in India or in Sweden.

**Table 5.3** Model fit indices for CFA models of CSR practices, for managers in India ( $n = 137$ ) and Sweden ( $n = 168$ )

Model	Description	No. item	$X^2(df)$	$X^2/df$	CFI	RMSEA
	India					
1i	2 factors (int/ext)	18	361.2 (134)	2.69	0.744	0.112
2i	3 factors (care/dev/ext)	18	351.6 (132)	2.66	0.753	0.111
3i	4 factors (care/dev/ext-a/ext-b)	18	317.3 (129)	2.46	0.788	0.104
4i	3 factors drop ext-b (item D47 D48 D49) also drop D39, D32	13	117.3 (62)	1.89	0.891	0.081
	Sweden					
1s	2 factors (int/ext)	18	458.3 (134)	3.42	0.729	0.120
2s	3 factors (care/dev/ext)	18	409.0 (132)	3.10	0.768	0.112
3s	4 factors (care/dev/ext-a/ext-b)	18	280.7 (129)	2.18	0.873	0.084
4s	3 factors drop ext-b (item D47 D48 D49) also drop D39, D32	13	174.6 (62)	2.82	0.873	0.104

The next model was a three-factor model, where the internal perspective on CSR practices was divided along two latent variables, one dimension representing an employer taking social responsibilities for and caring for the well-being of employees (CSR\_care), and the other representing an employer who supports the development of employees' skills and competence (CSR\_dev). The model fit was still insufficient, in both India (Model 2i) and Sweden (Model 2s), but with some improvement compared to Model 1. In both samples, modification indices showed that the items D47, D48 and D49 had common variation not accounted for by the latent variable CSR\_ext. These items have to do with one specific stakeholder—the customer. It was therefore decided to introduce a new latent variable in the next model representing the stakeholder customer.

A four-factor model with the latent variables CSR\_care, CSR\_dev, CSR\_ext-a (indicated by the items targeting external stakeholders but excluding customer items), and CSR\_ext-b (only customer items) still did not have an acceptable fit in India (Model 3i). Modification indices showed that D39 was a better indicator of CSR\_ext in India, as compared to CSR\_care that was specified in Model 3i. Furthermore, D32 was problematic in the Indian context. However, in the Swedish sample, Model 3 s showed a substantial improvement in model fit as compared to Model 2 s, and the fit was now almost acceptable.

We decided to discard the customer dimension (items D47, D48 and D49), and also drop item D39 that loaded on different latent variables in India (CSR\_ext) and Sweden (CSR\_care), and drop D32 as well. Model 4 thus consisted of 3 latent variables and 13 manifest variables. The fit in India (Model 4i) was improved and now almost acceptable. However, the fit in the Swedish sample (Model 4s) was not fully acceptable. Modification indices for the Swedish sample indicated common variation among the residuals of D43, D44, D45 and D46 (stakeholder society) and also among the residuals of D40, D41 and D42 (stakeholder future generations and natural environment). Thus, it seems that the structure of the CSR concept may be even more fine-grained in the Swedish context.

Even though we did not achieve models with fully acceptable fit, we decided to proceed with the invariance test procedure.

#### ***5.4.5 Testing for Measurement Equivalence in CSR Practices in Study 1***

To test for measurement equivalence, a series of multigroup models, with increasing numbers of constrained parameters, were estimated. These models consisted of three latent variables, two of them with a perspective on internal stakeholders (employees) (CSR\_care and CSR\_dev) and one with an external stakeholder perspective (CSR\_ext), and 13 manifest variables. Overall fit indices and differences in fit indices between models are reported in Table 5.4.

**Table 5.4** Sequential test of measurement invariance for managers in India ( $n = 137$ ) and Sweden ( $n = 168$ ) based on complete observations in study 1, for a three-factor model of CSR practices

Model	Description	Item	$X^2(df)$	$X^2/df$	CFI	RMSEA	$\Delta CFI$	$\Delta X^2$	$\Delta df$	p
1	Configural invariance. All parameters free	13	291.9 (124)	2.35	0.879	0.067				
2a	Metric invariance (constrained factor loadings)	13	309.7 (137)	2.26	0.876	0.065	0.003	17.8	13	0.166
3a	Scalar invariance (constrained factor loadings + constrained intercepts)	13	410.0 (147)	2.79	0.811	0.077	0.065	100.3	10	<0.001
2b	Metric invariance excluding D41 D44 D45	10	126.3 (74)	1.71	0.942	0.048				
3b	Scalar invariance excluding D41 D44 D45	10	150.9 (81)	1.86	0.923	0.053	0.019	24.6	7	<0.001

Model fit indices and model differences for CFA models with increasing number of constrained parameters

Model 1 specified the same three-factor structure for the Indian and the Swedish samples simultaneously. Thus, the model configuration was identical for the two samples. In this model, all parameters were free to take different numerical values in each sample. The model fit was not fully acceptable with a CFI slightly below 0.90, indicating some misfit, but an RMSEA below 0.08 indicating good fit. This lent some support for configural invariance between the Indian and the Swedish contexts, but with hesitation.

In Model 2a, all factor loadings were constrained to be equal across samples. The difference in model fit, compared to Model 1, showed a non-significant difference in chi-square and a difference in CFI less than 0.01. This lent support for metric invariance between India and Sweden.

Model 3a was based on Model 2a with constrained factor loadings, but in addition also constrained intercepts across samples. The difference in model fit showed a highly significant chi-square difference and a difference in CFI well above 0.01. There was thus no support for scalar invariance between Indian and Swedish managers. The main deviations were identified with the items D41, D44 and D45. These items were therefore excluded as indicators for CSR\_ext, and the testing procedure was repeated with a revised model.

The revised Model 2b with constrained factor loadings, with three latent variables and 10 manifest variables, showed a good overall model fit, indicated by a CFI above 0.90 and an RMSEA well below 0.08. Thus, excluding these items made the model configuration fully acceptable in both countries.

Model 3b was based on the revised Model 2b with constrained factor loadings and constrained intercepts across samples. The difference in model fit, compared to Model 2b, showed a significant difference in chi-square and a difference in CFI of 0.019. Scalar invariance was thus not fully achieved even in Model 3b. This had to do mainly with item D34, which showed a deviant intercept pattern across countries.

Yet item D34 was passed on to study 2 for further testing. It was also decided to test item D39, which had shown different factorial belonging, again in study 2. Item D47 was decided to be carried into study 2 as a single item regarding customers' rights. In all, 12 items were decided upon for study 2. The wording of the items D39, D43, D46 and D47 was somewhat adjusted in study 2, based on the results from the cognitive interviews.

#### ***5.4.6 The Dimensionality of EO Practices in Study 1***

Initial exploratory factor analysis showed that the perception of EO practices clearly had a multidimensional structure in both India and Sweden. This was expected given the theoretical framework from Connell (2006). Three to four dimensions were indicated. However, with two exceptions, all items loaded strongly in the first principal component, showing that there was an underlying common factor, supposed to represent a more general concept of EO value. In the Indian sample, two



items were very weak in the common factor: D63 and D64 (see Table 5.2 for reference to item numbers). This implies that the extent to which gender issues are openly discussed in the organization among employees and among managers does not relate to other issues relating to EO in the Indian context. Therefore, we concluded that those two items are not good indicators of EO in the Indian context.

We tested the hypothesized four-dimensional structure proposed by Connell in separate but identical CFA models, one for each country. The models had 4 latent variables: Emotions and human relations (HR), Culture and symbolism (CS), Gender division of labour (DL), and Gender relations of power (P), and 15 indicator variables (thus, all variables were included). The hypothesized relationship between latent variables and indicator variables is shown in Table 5.2.

In the Indian sample, the model fit was rather bad; for model fit, see Table 5.5, Model 1. Still, all factor loadings, except one, were over 0.4. The exception was D62 (estimate = 0.16). Modification indices showed that D62 had more to do with the latent variable HR than the one hypothesized CS. Modification indices also showed that D59 and D65 had common variation not accounted for by the latent variables.

In the Swedish sample, the model fit was even worse than in the Indian sample. But all factor loadings, except one, were over 0.4. The exception was D65 (estimate = 0.36). Modification indices did not show any other clear belonging for this variable, but this variable shared much variation with D68 and D69. Furthermore, these two variables in turn shared a great deal of variation with each other (not accounted for in the model), which was the greatest source of misfit in the model.

Taken together, the hypothesized model was not a good representation of the data either in India or in Sweden. Based on the modification indices presented above, and exploratory factor analysis, a three-factor model was instead specified. The latent variables were labelled as follows:

**Table 5.5** Model fit indices for CFA models of EO for managers in India ( $n = 137$ ) and Sweden ( $n = 170$ )

Model	Description	No. item	$X^2$ (df)	$X^2/df$	CFI	RMSEA
	India					
1i	Four factors (Connell)	15	309.2 (87)	3.55	0.804	0.137
2i	Three factors	11	126.5 (41)	3.09	0.896	0.124
3i	Model 2i + Rel > D66	11	99.4 (40)	2.48	0.928	0.105
	Sweden					
1s	Four factors (Connell)	15	507.9 (87)	5.84	0.815	0.169
2s	Three factors	11	87.5 (41)	2.13	0.973	0.082
3s	Model 2s + Rel > D66	11	86.3 (40)	2.16	0.973	0.083

- Equal opportunities in informal relations (EO\_rel), similar to Connell's dimension Emotions and human relations (HR).
- Equal quantitative representation in vertical division of labour (EO\_quant), similar in conceptual meaning to Gender division of labour (DL) but indicated by other items than first hypothesized.
- Equal opportunities in formal procedures and relations of power (EO\_form), similar to Connell's dimension Gender relations of power (P).

In this model, the dimension CS was dropped, and therefore the indicators D63 and D64 were excluded. These two items, as described above, were vaguely related to the more general concept of EO in the Indian context. However D62, modelled as an indicator of CS, was kept and was specified instead as an indicator of EO\_rel. The new dimension EO\_quant was indicated by two items that previously indicated P: D68 and D69. The conceptual meaning of EO\_quant is striving for an equal number of men and women in power positions, i.e. on boards and in managerial positions. With this definition, D65, striving for an equal number of men and women in all types of jobs (i.e. referring to equality in the horizontal division of labour), was conceptually deviant and excluded from the model. D66 was taken as an indicator of EO\_form, and D67 was excluded due to redundancy with regard to D67. In all, the new model consisted of 11 manifest variables.

In the Indian sample, the model fit was not fully acceptable (for model fit, see Model 2i in Table 5.5), but better than the four-factor model. The main source of misfit was a missing crossloading of D66 in EO\_rel. We estimated an additional model (Model 3i) where D66 was regressed also on EO\_rel, in addition to EO\_form (Model 3i). This model showed a substantial improvement in fit. The factor loading EO\_rel > D66 was even stronger (0.50) than the factor loading EO\_form > D66 (0.32). This implies that D66, in the India sample, was a stronger indicator of the informal aspects of EO than of the formal side of EO.

In the Swedish sample, there was a reasonably good fit of the three-factor model (Model 2s in Table 5.5), better than in the Indian sample. There were no obvious sources of misfit identified. In Model 3s, adding the same path (EO\_rel > D66) as in the Indian model described above did not improve the fit in the Swedish sample. Thus, in contrast to the Indian results, D66 was a clear indicator of EO-form, but not of EO\_rel in the Swedish context.

Based on the findings that D66 indicated different latent constructs in India and Sweden, it was decided to exclude this item from further analysis.

#### ***5.4.7 Testing for Measurement Equivalence in EO Practices in Study 1***

To test for measurement equivalence, a series of multigroup models, with increasing numbers of constrained parameters, were estimated. These models all

consisted of three latent variables and 10 manifest variables. Overall fit indices and differences in fit indices between models are reported in Table 5.6.

In the first model, answers from Indian and Swedish managers were fitted simultaneously to the same model configuration. In this model, all parameters were free to take different numerical values in each sample. The model fit was good as indicated by a CFI higher than 0.95 and an RMSEA below 0.08, showing support for configural invariance between the Indian and Swedish contexts.

In the second model, all factor loadings were constrained to be equal in the Indian and Swedish samples. Overall model fit was still good, even though somewhat worse than Model 1. Concerning difference in model fit, Model 2 had a significantly higher chi-square value ( $p < 0.001$ ), but the difference in CFI was only 0.01. Thus, Model 1 was a significantly better model, but the difference was rather modest, and we therefore concluded that there is support for metric invariance.

Finally in the third model, in addition to constrained factor loadings, the intercepts were also constrained to be equal in the Indian and the Swedish samples. Still, overall model fit was good, but somewhat worse than Model 2. Difference in model fit showed a significant difference in chi-square ( $p < 0.05$ ) but a very small difference in CFI (0.001). We concluded that the model holds for scalar invariance between Indian and Swedish managers.

We thus decided to pass the 10 items included in the invariance testing procedure on to study 2 for the measurement of EO. In addition, we decided to give two more items (D65 and D66) a second chance in the study 2 invariance testing procedure.

## 5.5 Cognitive Interviews with Managers

### 5.5.1 *Cognitive Interviews*

Cognitive interviews with managers were conducted in India and Sweden in order to explore their understanding of the phenomena associated with value concepts of relevance in organizations, as well as their understanding of the specific questionnaire items chosen to operationalize the perceptions of how these values were expressed in practices and procedures. Four value concepts were targeted in the cognitive interviews: CSR, EO, the organization's support for combining work and family/personal life and organizational justice. The first two of these values are covered in this book.

Cognitive interview is a method that comprises a series of memory retrieval and communication techniques designed to increase the amount of information that can be obtained from an interviewee (Biswas et al. 2015). Cognitive interviews can be used to establish semantic equality of questions in cross-cultural studies.

**Table 5.6** Sequential test of measurement invariance for managers in India ( $n = 137$ ) and Sweden ( $n = 170$ ) based on complete observations in study 1, for a three-factor model of EO Practices

Model	Description	Item	$\chi^2$ (df)	$\chi^2/df$	CFI	RMSEA	$\Delta$ CFI	$\Delta \chi^2$	$\Delta$ df	$p$
1	Configural invariance. All parameters free	10	137.5 (64)	2.15	0.968	0.061				
2	Metric invariance (constrained factor loadings)	10	168.0 (74)	2.27	0.958	0.065	0.010	30.5	10	0.001
3	Scalar invariance (constrained factor loadings + constrained intercepts)	10	182.3 (81)	2.25	0.955	0.064	0.001	14.3	7	0.046

Model fit indices and model differences for CFA Models with increasing number of constrained parameters

### 5.5.2 *Participants*

Thirty-nine managers, 20 in India and 19 in Sweden, were interviewed. The managers were drawn from four sectors: manufacturing (five in India, five in Sweden), IT (five in India, five in Sweden), healthcare (five in India, four in Sweden) and education (five in India, five in Sweden). Efforts were made to balance the number of male and female managers, but it was difficult to achieve this in each sector. In all, 24 male managers (15 from India and 9 from Sweden) and 15 female managers (5 from India and 10 from Sweden) were interviewed.

In India, all five managers in manufacturing were male; in IT and education, four out of five were male, and in the health sector, two male and three female managers were interviewed. In Sweden, three out of five managers in manufacturing and IT were male, in education, two out of five were male, and in the health sector, one male and three female managers were interviewed.

### 5.5.3 *Procedure*

All managers were given an orientation about the project, and informed consent to participation was obtained prior to the interview. The interviews were done as far as possible in an undisturbed environment (e.g. participants' office or home). Each interview lasted approximately 60 min and was recorded and thereafter transcribed verbatim. The questionnaire that was scrutinized using cognitive interviews contained 59 items covering perceptions of practices associated with four organizational values. Of these, 33 accounted for the values reported on in this book. The cognitive interview followed a protocol with three sections.

In part A, background questions about the manager and his/her organization were asked (gender, managerial position, education, tenure, gender of CEO and gender composition of the top management team). Thereafter, the manager's understanding of each of the four value concepts was sought. In this section, no questionnaire items were presented. The managers were instead asked five questions for each value concept:

1. If I say [organizational value 1–4], what do you think of then?
2. What could [organizational value 1–4] mean at your workplace?
3. Do you talk about [organizational value 1–4] at your work? Is it on the agenda?
4. In organizations in general, will you please give some [more] characteristics of what [organizational value 1–4] at work could be?
5. In organizations in general, will you please describe characteristics of a workplace that shows no [organizational value 1–4]?

Furthermore, the interviewees were asked to rank the four values based on what would make the workplace attractive for employees.

In part B, the interviewee was shown one random questionnaire item from each of the value domains, and was asked to paraphrase the statement in their own words. The interviewee was asked to respond to the statement in his/her own words and pick one of the response alternatives in a specified response format. Finally, the manager was asked if the question was relevant in his/her organization.

In part C, two questions were asked for each value concept. The interviewee was then shown the questionnaire items for each value and asked to identify items that were unclear, offending or inappropriate.

## 5.6 The Second Survey Questionnaire Study

### 5.6.1 Sample

The second survey questionnaire study, performed in 2014–2015, was directed to managers in India and Sweden. The study was designed to achieve a four-level data structure. On the highest level were the two nations, India and Sweden. In each nation, four sectors were strategically chosen: the manufacturing sector, the IT sector, the health sector (hospitals) and the higher education sector (universities). In each sector, we strived to include 10 organizations, and in each organization 10 managers. Table 5.7 shows the number of observations (organizations and managers) from each sector and country actually achieved. The total sample consisted of 964 managers nested in 77 organizations.

The organizations were chosen in order to be representative of each sector in each country, and were contacted by the researchers with a request to participate in the study. In Sweden, all manufacturing companies were privately owned, while in India both private and public companies participated. Manufacturing companies in both countries were all active in the global arena. The IT companies in both countries were also all global players with a multinational presence. They were all privately

**Table 5.7** Number of organizations and number of managers from each sector and country

Country	Sector	Organizations	Managers
India		42	404
	Manufacturing	12	115
	IT	10	95
	Healthcare	10	98
	Education	10	96
Sweden		35	560
	Manufacturing	9	156
	IT	5	76
	Healthcare	13	159
	Education	8	169
Total sample		77	964

owned. The healthcare organizations were mostly from the private sector in India, and mostly from the public sector in Sweden. Most of the educational institutions (8 out of 10) were private or trust-driven in India. In Sweden, most educational organizations were public, but one was trust-driven. Initially we tried to access data from public sector universities, medical colleges and hospitals in India. But because of the heavy workload and heavy demands on managers and the bureaucratic processes, it was only possible to access a few of these organizations.

The sampling procedures for managers within organizations were somewhat different in India and Sweden. In India, initially the HR managers of organizations were contacted. The HR managers provided lists of managers who were then approached personally, until 10 completed questionnaires had been collected by the research staff. Here, a paper version of the questionnaire was used. In Sweden, the HR department of each organization provided an e-mail list of managers. The managers were then invited by e-mail to participate in the study by answering the questionnaire in a web survey. Sixty-two per cent of the Swedish managers responded to the questionnaire.

### **5.6.2 Instruments**

The questionnaire consisted of nine background questions and 90 questions about the nature of the managerial work, perceptions of organizational practices, and reports of the managers' work and home situation. The content of the questionnaire relevant for measurement of CSR and EO practices as well as outcome variables is described below.

#### **5.6.2.1 Perceptions of CSR Practices in the Organization**

Twelve items originating in study 1 were included in study 2 to measure CSR practices. Four of these items were slightly revised based on the cognitive testing procedure. Eleven items were taken as indicators for a three-factor model of CSR practices. One item, concerning the customer as stakeholder, was included as a single-item indicator. All CSR items are reported in Table 5.8. The response format included five fixed response alternatives, coded as: 'strongly disagree' (1), 'disagree' (2), 'neutral' (3), 'agree' (4), 'strongly agree' (5). The measures were further tested for measurement equivalence and refined based on the results. This procedure and the measurement properties are reported in the following sections.

#### **5.6.2.2 Perceptions of EO Practices in the Organization**

Ten items from study 1 that showed support for measurement equivalence, and two additional items that did not pass the first testing procedure, were included in the

**Table 5.8** Questionnaire items in study 2 for measurement of perceptions of CSR practices in the organization

Item number in study 2	Item label in study 2	Item	Hypothesized dimension	Final dimension
		I work in an organization which ...		
F6	CSR1	... shows respect for individual rights	CSR_care	<sup>a</sup>
F7	CSR2	... has a long-term approach in employer–employee relationships	CSR_care	CSR_care
F8	CSR3	... takes social responsibility for its employees	CSR_care	CSR_care
F9	CSR4	Our organizational policies encourage the employees to develop their skills and careers	CSR_dev	CSR_dev
F10	CSR5	The management of our organization is primarily concerned with employees’ health and well-being	CSR_dev	CSR_care
F11	CSR6	Our organization supports employees who want to acquire additional education	CSR_dev	CSR_dev
F12	CSR7	The employees in our organization receive a salary that is enough to maintain an acceptable quality of life	Unclear	<sup>a</sup>
F13	CSR8	Our organization makes an investment in creating a better life for future generations	CSR_ext	<sup>ab</sup>
F14	CSR9	Our organization targets sustainable growth which considers future generations	CSR_ext	CSR_ext <sup>b</sup>
F15	CSR10	Our organization supports non-governmental organizations which work on social issues	CSR_ext	<sup>ab</sup>
F16	CSR11	Our organization emphasizes the importance of its social responsibilities for the welfare of society	CSR_ext	CSR_ext <sup>b</sup>
F17	CSR12	Our organization respects customers’/ students’/patients’ rights beyond the legal requirements	Single item	<sup>b</sup>

CSR\_care Caring for employees; CSR\_dev Supporting employees’ development; CSR\_ext The organization’s responsibilities for future generations and the society

<sup>a</sup>Item discarded based on the testing procedure; <sup>b</sup>reported as single-item measure

study 2 questionnaire to measure three dimensions of EO practices. These items are shown in Table 5.9. The response format was five fixed response alternatives coded as: ‘strongly disagree’ (1), ‘disagree’ (2), ‘neutral’ (3), ‘agree’ (4), ‘strongly agree’ (5). The measures were further tested for measurement equivalence and refined based on the results. This procedure and the measurement properties are reported in the following sections.



### 5.6.2.3 Measures of Attractiveness and Performance

Attractiveness and performance are considered as the outcome variables in this study. While the study addresses the question of attractiveness for managers already employed by an organization, attractiveness should be understood as the organization's capacity to retain its managers. Thus, attractiveness is operationalized as: (1) managers' commitment to the organization; and (2) low intention of managers to leave the organization.

Organizational commitment was measured as affective commitment (Allen and Meyer 1990), which refers to managers' emotional attachment to, identification with, and involvement in the organization. A four-item measure was used, including: 'I enjoy discussing my organization with people outside it'; 'I really feel as if this organization's problems are my own'; 'This organization has a great deal of personal meaning for me'; and 'I feel a strong sense of belonging to my organization.' The response format was five fixed response alternatives coded as: 'strongly disagree' (1), 'disagree' (2), 'neutral' (3), 'agree' (4), 'strongly agree' (5). The reliability calculated as Cronbach's alpha was 0.81 in the Indian sample and 0.68 in the Swedish sample.

Intention to leave (turnover intention) was measured with three items (slightly revised) from Sjöberg and Sverke (2000): 'I am actively looking for other jobs'; 'I feel like leaving this job'; and 'If the labour market situation permits, I would leave this job.' A fourth item concerning preferences with regard to the present organization was also included: 'I would like to continue working in this organization in the future as well' (reverse scored). The response format was five fixed response alternatives coded as: 'strongly disagree' (1), 'disagree' (2), 'neutral' (3), 'agree' (4), 'strongly agree' (5). The reliability, calculated as Cronbach's alpha, was 0.84 in the Indian sample and 0.87 in the Swedish sample.

Performance was operationalized as perceived effectiveness of the unit for which the manager was responsible. A four-item measure adapted from Gibson et al. (2003) was used with the following items: 'This unit achieves its planned targets'; 'This unit is responsive to its customers/students/patients (those whom you internally or externally deliver to)'; 'This team adheres to its schedule'; and 'This unit is productive.' The response format was seven fixed response alternatives coded as: 'never' (1), 'almost never' (2), 'seldom' (3), 'sometimes' (4), 'often' (5), 'almost always' (6), and 'always' (7). The reliability calculated as Cronbach's alpha was 0.87 in the Indian sample and 0.77 in the Swedish sample.

### 5.6.3 Analysis

Structural equation modelling was used to test the dimensionality of the constructs as well for testing for measurement equivalence. Maximum likelihood estimation as implemented in AMOS 18 (Arbuckle 2007) was used. The same procedures as described for study 1 above were applied.

**Table 5.9** Questionnaire items in study 2 for measurement of perceptions of EO practices in the organization

Item number in study 2	Item label in study 2	Item	Hypothesized dimension	Final dimension
		I work in an organization ...		
F23	EO1	... where men's and women's voices are equally important	EO_rel	EO_rel
F24	EO2	... in which men and women are equally respected	EO_rel	EO_rel
F25	EO3	... where managers are equally sensitive to men's and women's personal needs	EO_rel	EO_rel
F26	EO4	... where colleagues outspokenly reject sexist comments or jokes	EO_rel	<sup>a</sup>
		I work in an organization, which in a trustworthy way strives for...		
F27	EO5	... equal numbers of men and women in all types of jobs	EO_quant	<sup>a</sup>
F28	EO6	... men's and women's equal employment opportunities	EO_form	<sup>a</sup>
F29	EO7	... men's and women's equal representation on boards	EO_quant	EO_quant
F30	EO8	... men's and women's equal representation in managerial positions	EO_quant	EO_quant
F31	EO9	... men's and women's equal opportunities for job advancement	EO_form	EO_form
F32	EO10	... equal evaluation of men's and women's performance	EO_form	EO_form
F33	EO11	... men's and women's equal pay in relation to competence and task	EO_form	<sup>a</sup>
F34	EO12	... men's and women's equal influence over decisions	EO_form	EO_form

*EO\_rel* Equal opportunities in informal relations; *EO\_quant* Equal quantitative representation in vertical division of labour; *EO\_form* Equal opportunities in formal procedures and relations of power

<sup>a</sup>Item discarded based on the testing procedure

### 5.6.4 The Dimensionality of CSR Practices in Study 2

Initial exploratory factor analysis showed that item CSR5 should be moved to the dimension CSR\_care, which is also reasonable given the content of the item, reflecting an organization concerned with employees' health and well-being. To confirm the three-factor structure that was established in study 1, separate CFAs were done for the Swedish and the Indian samples based on the hypothesized

dimensions specified in Table 5.9. The specified model had three latent variables: CSR\_care, CSR\_dev and CSR\_ext, and 11 manifest variables as indicators.

The fit in the Swedish sample, based on complete observations ( $n = 537$ ), was nearly acceptable ( $X^2(51) = 263.3$ , CFI = 0.904, RMSEA = 0.088). All factor loadings, except one, were above 0.4. The exception was CSR7 'salary that is enough to maintain an acceptable quality of life' with standardized loading 0.34. We concluded that F12 was not a good indicator of caring in the Swedish context. Furthermore, CSR12 (customers' rights) had a rather low factor loading (0.43). The correlation between the latent variables was modest (Caring-Dev: 0.64; Caring-External: 0.40; Dev-External: 0.41).

The fit in the Indian sample, based on complete observations ( $n = 386$ ), was not so good ( $X^2(51) = 358.5$ , CFI = 0.875, RMSEA = 0.125). Modification indices showed that items targeting 'future generation' (CSR8, CSR9) and 'social responsibilities' (CSR10, CSR11) respectively had variation in common not accounted for by the latent variable CSR\_ext. Furthermore, the residual of CSR7 (salary) was indicated to have variation in common with CSR external. Thus, a modified model (including correlated residuals and F12 moved to CSR external) was estimated. The fit was much improved ( $X^2(49) = 166.3$ , CFI = 0.952, RMSEA = 0.079). All factor loadings were well above 0.4. The correlations between the latent variables were very high (CSR\_care and CSR\_dev: 0.97; CSR\_care and CSR-ext: 0.83; CSR\_dev and CSR\_ext: 0.97). Thus, it could be questioned whether the three-dimensional model was an effective representation of the data in India. Therefore, two alternative models were specified. A two-dimensional model (Internal & External) had significantly worse fit ( $X^2(51) = 186.0$ , CFI = 0.945, RMSEA = 0.083,  $\Delta X^2(2) = 19.7$ ,  $p < 0.001$ ). A one-dimensional model had an even worse fit ( $X^2(52) = 230.6$ , CFI = 0.927, RMSEA = 0.094,  $\Delta X^2(3) = 44.6$ ,  $p < 0.001$ ). We concluded that the three-dimensional model was the best representation of the observations.

For fitting the joint model for Sweden and India, we decided to exclude CSR7. This item had a weak relation to caring among the Swedish managers, but was strongly related to external CSR among Indian managers. Thus, the conceptual meaning was different in India and Sweden. In Sweden, it meant that the organization cared for its personnel (but it was not a core indicator), whereas in India it meant that the organization cared for the society. This corroborates the findings from study 1.

### ***5.6.5 Testing for Measurement Equivalence in CSR Practices in Study 2***

We applied the procedure for invariance testing described earlier in this chapter. Thus, a series of multigroup models with increasing numbers of constrained

parameters were estimated. Overall fit indices and differences in fit indices between models are reported in Table 5.10.

To test for configural invariance, we applied the three-dimensional model previously described, with three latent variables: CSR\_care, CSR\_dev and CSR\_ext, and 11 manifest variables (excluding CSR7), to the Swedish and the Indian samples simultaneously. In this model (Model 1a), the structure was the same for both samples, but factor loadings were free to vary between countries. This model had an acceptable fit to the data as shown by a CFI above 0.90 and an RMSEA below 0.08. Thus, there was support for configural invariance.

To test for metric invariance, factor loadings were constrained to be equal across countries (Model 2a). The difference in chi-square, as compared to Model 1a, was significant ( $p < 0.001$ ), and the difference in CFI was slightly above 0.01, showing that the unconstrained model was a better representation of data. The main difference in factor loadings was located in CSR12, where India showed a substantially higher unstandardized loading (0.73) than Sweden (0.36).

The item CSR12 was therefore discarded and revised models (unconstrained Model 1b and constrained Model 2b) were estimated. Model 1b had an acceptable fit to the data as shown by a CFI above 0.90 and an RMSEA below 0.08. Difference in model fit for Model 2b, compared to Model 1b, still showed a significant difference in chi-square, but the difference in CFI was below 0.01. We therefore concluded that there was support for metric invariance.

To test for scalar invariance, all intercepts were constrained to be equal in the Indian and Swedish samples in Model 3b. This model was evaluated in relation to Model 2b. Model 3b showed a considerably worse fit than Model 2b. The difference in chi-square was significant and the difference in CFI was 0.05. There was therefore no support for scalar invariance based on the specified items. We inspected the pattern of intercepts in Model 2b and found several items with deviating pattern of differences in intercepts between India and Sweden. Intercepts for CSR1 (respect for individual rights) had a higher country difference than expected; CSR8 (investment in creating a better life for future generations) had a lower country difference than expected; and CSR10 (supports NGOs) had a considerably higher country difference than expected. We therefore decided to exclude those items from the measurement model.

We then estimated Model 2 (Model 2c with constrained factor loadings) and Model 3 (Model 3c with constrained factor loadings and constrained intercepts), excluding items CSR1, CSR8 and CSR10. The difference in chi-square between the models was significant, but the difference in CFI was 0.01. We therefore concluded that the models were similar enough to support scalar invariance.

The final measure of CSR was a three-dimensional model similar to the one in study 1, but excluding five items. It should be noted that two of these items were already identified as problematic in study 2. Thus, the result was fairly consistent over the two data collections.

However, for the measurement of CSR with regard to external stakeholders (hereafter labelled CSR\_ext2), there were only two items left in the final model. Given that the original measure in study 1 consisted of 10 items, this was a massive

**Table 5.10** Sequential test of measurement invariance for managers in India ( $n = 386$ ) and Sweden ( $n = 537$ ) based on complete observations in study 2, for a three-factor model of perceptions of CSR practices in the organization

Model	Description	Item	$\chi^2$ (df)	$\chi^2$ /df	CFI	RMSEA	$\Delta$ CFI	$\Delta \chi^2$	$\Delta$ df	$p$
1a	Configural invariance. All parameters free	11	487.3 (82)	5.94	0.908	0.073				
2a	Metric invariance (constrained factor loadings)	11	552.7 (93)	5.94	0.895	0.073	0.013	65.4	11	<0.001
1b	Configural invariance excluding CSR12	10	410.1 (64)	6.41	0.915	0.077				
2b	Metric invariance excluding CSR12	10	451.1 (74)	6.10	0.907	0.074	0.008	40.9	10	<0.001
3b	Scalar invariance excluding CSR12 (constrained factor loadings + constrained intercepts)	10	663.2 (81)	8.19	0.857	0.088	0.050	212.1	7	<0.001
2c	Metric invariance excluding CSR1, CSR8 and CSR10	7	148.9 (29)	5.13	0.951	0.067				
3c	Scalar invariance excluding CSR1, CSR8 and CSR10	7	176.0 (33)	5.33	0.941	0.069	0.010	27.1	4	<0.001

Model fit indices and model differences for CFA models with increasing number of constrained parameters

restriction of conceptual width. This was an especially serious concern because several external stakeholders, such as NGOs and customers, would not be included in the conceptualization of external CSR using the variable CSR\_ext2.

Therefore, we decided also to report on each single item intended to measure CSR with an external perspective. It is however important to emphasize that comparisons that rely on single-item measures may be biased, and that we cannot rule out these items having different meanings in the two countries.

### ***5.6.6 The Dimensionality of EO Practices in Study 2***

To confirm the three-factor structure that was established in study 1, separate CFA models were estimated for the Swedish and Indian samples. The models had three latent variables; EO\_rel, EO\_quant, and EO\_form, and 12 manifest variables as indicators.

The fit in the Swedish sample, based on complete observations ( $n = 542$ ), was good ( $X^2(51) = 196.1$ , CFI = 0.971, RMSEA = 0.073). All factor loadings except one were well above 0.4. The exception was EO4, 'I work in an organization where colleagues outspokenly reject sexist comments or jokes' with standardized loading 0.33. We concluded that EO4 was not a good indicator of EO\_rel in the Swedish context.

The fit in the Indian sample, based on complete observations ( $n = 396$ ), was not so good ( $X^2(51) = 302.4$ , CFI = 0.935, RMSEA = 0.112). However, all factor loadings were well above 0.4. The correlations between the latent variables were rather high (EO\_rel and EO\_quant:  $r = 0.75$ ; EO\_quant and EO\_form:  $r = 0.83$ ; EO\_rel and EO\_form: 0.90). Thus, the correlation between EO\_rel and EO\_form was the highest and was pretty close to 1. Therefore, we tested whether these two latent variables could be merged into one by estimating a two-factor model. This test clearly showed support for the three-dimensional model and not for a two-dimensional model. Even though highly correlated in the Indian sample, EO\_rel and EO\_form proved to be different phenomena.

The major sources for misfit in the Indian sample were indices of covariances between the residuals of the following item pairs: EO5 and EO6; EO5 and EO7; EO10 and EO11. That is, these items had variance in common that was not accounted for by the latent variables. Including these correlated residuals in the model showed a much-improved fit, ( $X^2(48) = 167.1$ , CFI = 0.969, RMSEA = 0.079). Furthermore, an alternative model dropping EO5 and EO11 showed a nearly acceptable fit ( $X^2(32) = 128.0$ , CFI = 0.970, RMSEA = 0.087). These two items thus proved to be problematic in the Indian context, and were excluded from further analysis.

### ***5.6.7 Testing for Measurement Equivalence in EO Practices in Study 2***

To test for measurement equivalence in EO practices, we again applied the procedure for invariance testing. We estimated a serial of multigroup models, with increasing numbers of constrained parameters. Overall fit indices and differences in fit indices between models are reported in Table 5.11.

First we applied a three-dimensional model with nine indicators (excluding EO4, EO5 and EO11) to the Swedish and the Indian samples simultaneously (Model 1). The structure was the same for both samples, but all parameters were free to vary between countries. This model had a good fit to the data as indicated by a CFI greater than 0.95 and an RMSEA less than 0.08. This result supported configural invariance for the three measures of EO practices.

To test for metric invariance, factor loadings were constrained to be equal across countries (Model 2a). The fit for this model was still good. However, the difference in chi-square showed that the unconstrained Model 1 was a better representation of the data. But the difference in CFI was small (0.009), and we concluded that the factor loadings were acceptably similar to support metric invariance.

Testing for scalar invariance, i.e. invariance in intercept, was the final step. We specified a model where the factor loadings as well as the intercepts were constrained to be equal in the Indian and the Swedish samples (Model 3a). This model was evaluated in relation to Model 2a. Even though the fit for Model 3a was acceptable, model comparison showed that the difference in chi-square was significant and the difference in CFI was slightly above 0.01. We scrutinized the modification indices and found that EO6 was a candidate for removal. EO6 diverged from the other items indicating EO\_rel with regard to the patterns of the intercepts. The intercept was higher for Swedish managers compared to Indian managers for all items indicating EO\_rel, but the difference in intercept between countries was even more pronounced for EO6 than the other item. We thus decided to discard EO6.

We estimated the model with constrained factor loadings (Model 2b) and the model with constrained factor loadings and constrained intercepts (Model 3b) again, but now without item EO6. Model comparisons showed that the difference in chi-square between these models was still significant, but the difference in CFI was below 0.01. We concluded that the intercepts were now acceptably similar between the countries. Thus, there was support for scalar invariance.

So, the final measure of EO was a three-dimensional model similar to the one in study 1, but excluding four items. It should be noted that two of these items (EO5 and EO6) were already identified as problematic in study 1. Thus, the result was fairly consistent over the two data collections.

**Table 5.11** Sequential test of measurement invariance for managers in India ( $n = 396$ ) and Sweden ( $n = 542$ ) based on complete observations in study 2, for a three-factor model of perceptions of EO practices in the organization

Model	Description	Item	X <sup>2</sup> (df)	X <sup>2</sup> /df	CFI	RMSEA	Δ CFI	Δ X <sup>2</sup>	Δ df	p
1	Configural invariance. All parameters free	9	211.8 (48)	4.41	0.976	0.060				
2a	Metric invariance (constrained factor loadings)	9	287.6 (57)	5.05	0.967	0.066	0.009	75.8	9	<0.001
3a	Scalar invariance (constrained factor loadings + constrained intercepts)	9	384.0 (63)	6.10	0.954	0.074	0.013	96.4	6	<0.001
2b	Metric invariance excluding EO6	8	200.0 (42)	4.76	0.974	0.063				
3b	Scalar invariance excluding EO6	8	260.8 (47)	5.55	0.965	0.070	0.009	60.8	5	<0.001

Model fit indices and model differences for CFA models with increasing number of constrained parameters



### ***5.6.8 Reliability of the Final Measures for Perceptions of CSR and EO Practices***

Reliability was calculated as Cronbach's alpha for the revised measures of CSR and EO practices (see Table 5.12). The reliability was sufficient in both countries (over 0.70) for CSR\_care. The measure of CSR\_dev showed sufficient reliability in the Swedish sample, but a reliability slightly below 0.70 in the Indian sample. The measure of CSR\_ext showed somewhat low reliability in the Indian as well as in the Swedish sample. All three measures of EO showed excellent reliability in both countries.

### ***5.6.9 Putting All Scores on a Common Scale***

In order to make comparisons between measures more accessible, all scores were standardized. Standardization means that observed scores are transformed to scores where the mean is 0 and the standard deviation is 1. After such a transformation, the variation between observations can be interpreted in the same way for all the measures. For example, we expect most (95%) of the individual observations to be within the range of  $-2$  to  $+2$ . Also, the level of an observation can be easily interpreted. A positive standardized score is interpreted as higher than average, and a negative score indicates a rating lower than average. Considering differences between means, a rule of thumb is that when scores are standardized, 0.20 can be considered as a small effect, 0.50 a medium-sized effect, and 0.80 a large effect (Cohen 1992).

### ***5.6.10 Aggregation and Sharedness***

The transformations to standardized scores were based on individual-level variation estimates. These scores were aggregated to organization level by calculating the average of the individual responses for each organization. On the aggregated level, we expect variance between organizations to be smaller than between individuals. This implies that even though the standard deviation at the individual level is defined to unity, the standard deviations for aggregated standardized scores (i.e. the variation between organizations) were in the range of 0.49–0.63.

A requirement for aggregating individual-level measures to the organization level is that there should be a shared perception of the observed phenomena within organizations. If there is no shared perception, there is no meaning in the average score. Sharedness also implies that there is significant variation between organizations. The amount of variation between organizations is reported for each

**Table 5.12** Variables measuring perceptions of CSR and EO practices in the organization, and the reliability of these variables

Variable	Description	Sample item	No. item	Alpha India	Alpha Sweden
<i>Scales</i>					
CSR_care	Caring for employees	I work in an organization which takes social responsibility for its employees	3	0.80	0.81
CSR_dev	Supporting employees' development	Our organization supports employees who want to acquire additional education	2	0.66	0.79
CSR_ext2	Organization's responsibilities for future generations and the society	Our organization targets sustainable growth which considers future generations	2	0.61	0.63
EO_rel	EO in informal relations	I work in an organization in which men and women are equally respected	3	0.90	0.90
EO_quant	Equal quantitative representation in vertical division of labour	I work in an organization which in a trustworthy way strives for men's and women's equal representation in managerial positions	2	0.83	0.90
EO_form	EO in formal procedures and relations of power	I work in an organization which in a trustworthy way strives for men's and women's equal opportunities for job advancement	3	0.90	0.92
<i>Single items</i>					
CSR8	Responsibilities towards future generations, investments	Our organization makes an investment in creating a better life for future generations	1		
CSR9	Responsibilities t future generations, targets sustainable growth	Our organization targets sustainable growth which considers future generations	1		

(continued)

**Table 5.12** (continued)

Variable	Description	Sample item	No. item	Alpha India	Alpha Sweden
CSR10	Responsibilities towards society, supports NGOs	Our organization supports non-governmental organizations which work on social issues	1		
CSR11	Emphasizes the importance of its responsibilities	Our organization emphasizes the importance of its social responsibilities for the welfare of society	1		
CSR12	Responsibilities towards customers/students/patients	Our organization respects customers'/students'/patients' rights beyond the legal requirements	1		

measure in Chap. 11. However, for all measures, the organizational variation was great enough to justify the aggregation procedure.

### 5.6.11 Screening for Extreme Observations

We screened the individual data as well as the aggregated organizational data for extreme observations, defined as three standard deviations below or above variable mean (Hair et al. 1995). Concerning individual observations, we found a few cases slightly below  $-3$  standard deviations. But these were not dramatically more frequent than expected, given a total of over 900 observations. We decided to keep those observations.

When we scrutinized the aggregated data, we identified three organizations with values below  $-3$  standard deviations (based on standard deviation calculated from the aggregated data) on two to four variables. In fact, all three of these organizations had scores around or below  $-4$  standard deviations for at least two variables. All these organizations were from the healthcare sector in India. Given the total of 77 organizations, such extreme observations should be very rare. Still, we do not think these observations are invalid. They may very well reflect a true but extreme pattern of practices in part of the Indian healthcare sector.

Even though these three organizations may be valid observations, such extreme observations may have an unreasonable impact on various statistical calculations.

We therefore decided to exclude the observations from these organizations in the statistical models presented in Chap. 11 and in the calculation of various descriptive statistics in that chapter.

### **5.6.12 Summary of Study Variables**

In order to understand the expressions of values of CSR and EO in the studied organizations, we have defined these measures as managers' perceptions of organizational practices concerning CSR and EO. We found that the expressions of CSR and EO are multidimensional, and six dimensions were identified. The study variables are summarized in Table 5.12.

#### **5.6.12.1 Perceptions of CSR Practices**

A multiple stakeholder perspective was used to conceptualize CSR practices. We distinguished between stakeholders within the organization, i.e. employees (internal CSR), and stakeholders outside the organization, i.e. future generations, society, and customers (external CSR). Internal CSR was represented by two dimensions

- Caring for employees (CSR\_care): perception of organizations' responsibilities for their employees' well-being.
- Supporting employees' development (CSR\_dev): perception of organizations' responsibilities for their employees' growth and skill development.

External CSR could not be operationalized in its full conceptual width in a reliable and country-invariant measure. Instead, five single items representing different aspects of external CSR were used, targeting the stakeholders' future generations (CSR8, CSR9), society (CSR10, CSR11) and customers (CSR12).

However, in order to make more complex analysis possible with regard to external CSR, a composite variable representing two stakeholders, future generations and society, was constructed based on the average of CSR9 and CSR11. This limited measure of external CSR was found to be invariant between the countries.

- External CSR (CSR\_ext2): organizations' responsibilities for future generations and society.

This variable has some limitations. First, it does not represent the full conceptual width of external CSR. Second, it suffers from somewhat low reliability. This should be kept in mind when interpreting the results.

### 5.6.12.2 Perceptions of EO Practices

Equal opportunity practices were operationalized as a multidimensional concept, represented by three dimensions:

- EO practices with regard to informal relations (EO\_rel): perceptions of, to what extent men and women are equally listened to, and equally respected, and managers are equally sensitive to men's and women's needs.
- EO practices with regard to quantitative vertical division of labour (EO\_quant): perceptions of the extent to which the organization trustworthily strives for men's and women's equal representation on boards and in managerial positions.
- EO practices with regard to formal procedures and relations of power (EO\_form): perceptions of the extent to which the organization strives in a trustworthy way for men's and women's equal opportunities for job advancement, equal evaluation of performance and equal influence over decisions.

### 5.6.12.3 Outcome Variables

Three outcome variables are considered in this book in order to evaluate the effects of CSR and EO practices. These variables are summarized in Table 5.13. Two of them have to do with the attractiveness of the organization for managers—organizational commitment and intention to leave. One outcome variable has to do with the performance of the organization as rated by the managers—perceived effectiveness.

- Organizational commitment: managers' emotional attachment to, identification with and involvement in the organization.

**Table 5.13** Variables measuring organizational attractiveness and organizational effectiveness, and the reliability of these variables

Variable	Description	Sample item	No. item	Alpha India	Alpha Sweden
<i>Scales for organizational attractiveness</i>					
Commit	Organizational commitment	I feel a strong sense of belonging to my organization	4	0.81	0.68
Int. leave	Intention to leave the organization	I am actively looking for other jobs	4	0.84	0.87
<i>Scale for organizational effectiveness</i>					
Effective	Perceived effectiveness of the organizational unit	This unit achieves its planned targets	4	0.87	0.77

- Intention to leave: managers’ desire to leave the job, intention to do so if an opportunity emerged and reports of actively looking for a new job.
- Perceived effectiveness: managers’ rating of how frequently the organizational unit that they were responsible for, achieved its planned targets, was responsive to its customers, adhered to its schedule, and was productive.

### 5.7 Interviews with HR Managers

The target for the organizational interview study with HR managers was the 77 organizations participating in the second questionnaire study. The organizations were from four sectors: manufacturing, IT, higher education (universities) and healthcare (hospitals). The number of observations from each sector is reported in Table 5.14.

It was not possible to conduct a few of these interviews due to practical circumstances. Furthermore, some interviews provided information for more than one organization due to a common HR function. Information was collected from 73 organizations, 38 in India and 35 in Sweden.

The researchers took prior appointments with the HR managers and interviewed them about organizational size, structure, strategies and policies with semi-structured interview guidelines. The purpose of the interview was to supplement the information gathered through the questionnaire survey and to collect information about the formalization, communication and implementation of CSR and EO policies.

In addition to the interview, HR managers were also requested to share relevant supporting documents and annual reports if possible. In India in most cases, the

**Table 5.14** Number of organizations approached and number of organizations where information was retrieved from interviews with HR managers

Country	Sector	Organizations	Organizational information
India		42	38
	Manufacturing	12	12
	IT	10	8
	Healthcare	10	9
	Education	10	9
Sweden		35	35
	Manufacturing	9	9
	IT	5	5
	Healthcare	13	13 <sup>a</sup>
	Education	8	8
Total sample		77	73

<sup>a</sup>In some cases, information was collected for more than one organization in each interview

interviewer was directed to refer to the information shared on websites and in the public domain. Mostly, HR managers were unwilling to share other organizational documents as there were organizational constraints. In Sweden, we got access to these documents in most organizations. Taking the total scenario into consideration, the researchers have not included the documents in the analysis due to the limited possibilities for comparing these data.

In India, on average, the interviews lasted 120–150 min. In Sweden, the interviews lasted 60–120 min. Basic information about the organization, its size and expanse was explored with questions about its core activities, which countries the organization existed in, and which country owned it. The structure and composition of the organization were explored by asking about the total number of employees, temporary employees, part-time employees, employees recruited by staff agencies and the average education of employees.

Gender equality and the inclusion of women in higher management was studied by gathering information about the proportion of women in the organization, whether male and female managers were equally paid/rewarded, the representation of women in the highest managements teams, and asking managers to map the organization in terms of the presence of women in different departments.

In addition, recruitment and voluntary exit of managers in the previous 3 years were explored to understand the attractiveness of the organization. Support to managers for facilitating their managerial work was also explored. Managers were asked whether the organization communicated its values at all, and, if so, through which mode and how frequently, in order to assess the conscious dissemination and implementation of values.

After these general questions, HR managers were specifically interviewed about policies concerning the organizational values that form the focus of this research, namely, CSR and EO. Questions were asked about policies regarding these values with regard to three components: formalization, implementation and communication. Formalization is conceptualized here as an organization having a policy, having it in written form and the policy having been updated in recent years. The implementation component consists of the awareness of managers regarding the policy, their access to the policy, and whether the policy had been discussed or used in recent years. The communication component consists of questions regarding whether the policy is communicated externally and whether there is a version of the policy available to a broader public. All these components together indicate the organization's efforts to brand the value internally and externally.

## **5.8 Summary**

In this chapter, we have described details concerning the four empirical studies performed, as well as the development of measures of CSR and EO. In order to understand expressions of the values of CSR and EO in the studied organizations, we have defined these measures as the managers' perceptions of organizational

practices concerning CSR and EO. We found that CSR and EO practices are multidimensional. Six facets were identified: three for CSR and three for EO. These six measures were tested for measurement equivalence, and we achieved reliable and country-invariant measures for all facets except one—external CSR. For external CSR, we proceed with a limited country-invariant measure as well as five single items that describe various aspects of the concept. In the following chapters, we will describe the four sectors targeted—manufacturing, IT, education and healthcare—with regard to managers’ perceptions of CSR and EO practices in their organizations in India and Sweden.

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# Chapter 6

## The Manufacturing Sector

### 6.1 The Manufacturing Sector in India and Sweden

Historically, manufacturing has played a role in India's economy since the entry of the East India Company and the onset of British colonization. In the pre-colonial era, India had been a part of ancient international land and sea trade networks, and was known for its exports of spices, cloth, textiles, agricultural products, luxury goods and so on. Historical trends show that the Indian economy had begun to decline in the seventeenth century during Mughal rule. This decline continued into the era of the East India Company's dominance.

After the British government took over the administration of India, investment in public infrastructure increased in areas such as education and transport, and this was at least one of the factors behind improvement in the economy; yet the British Indian government's economic policies benefited the British Empire more than the colony. Concurrently, forces such as the Swadeshi movement, which encouraged domestic, locally produced goods as opposed to British and other imports, led to some revival in Indian manufacturing and industrialization through a focus on import substitution. Despite the lack of a free and competitive business environment, during the pre-war period at the beginning of the twentieth century, India was experiencing a surge in the efforts of local entrepreneurial communities. By the time of World War I, industrialists such as the Tatas and Birlas had begun to develop successful enterprises.

Before World War II, India's growth rate was above the world average. Industries such as chemicals, automobiles, shipping and shipbuilding, steel, and other heavy goods flourished during World War II; this was perhaps the point when the manufacturing sector began to resemble its modern version. Post-independence, the Indian government formulated policy that clearly demarcated the spheres of the public and the private sectors, and allotted itself the task of development of basic industries such as railways, aviation, banking, basic metals, machinery, fertilizers

and power. In 1991, these socialist/protectionist economic policies were revised, and the market was liberalized and linked to the global economy.

Table 6.1 presents data from the World Bank (2015) and the ILOSTAT Database (2015a, b). Manufacturing contributed 30.7% of India's gross domestic product (GDP) and 11.4% of total employment in 2010. It must be noted that most economic data for Indian manufacturing come from its organized sector, whereas the unorganized sector, comprising small-scale manufacturing and cottage industries, employed 86.3% of the country's workforce in 2005. The US Bureau of Labor Statistics pegged the average wages in India at USD 1.46 or INR 51 per hour in 2010, confirming the low cost of labour in comparison to other countries. Average wages had more than doubled over the decade from 1999, when they stood at USD 0.68 or INR 20.86 per hour. A clear gender gap can be seen in manufacturing wages, with women earning roughly half of what men earn. According to ILOSTAT database estimates, men earned INR 8336.2 per month as opposed to INR 4093.6 per month for women in 2012 (2015b). The current government of India plans to create a more skilled workforce, boost domestic manufacturing and reform laws and policies to create a balance and bridge the gap.

Sweden till the nineteenth century was largely an agricultural, rural economy. It was only from the 1850s that economic growth as we understand it today occurred in Sweden. In this period, along with improvements in agricultural practices, the government invested in infrastructure and transport. As a result, trade became easier and demand in the domestic market increased significantly. In the same era, education began to be separated from religion and became secular, and consequently more functional as well.

The country's rich natural resources were transformed into products for export—primarily iron, wood and oats—that were absorbed by the rest of Europe. The advent of the Industrial Revolution further improved the demand for Swedish goods, which in turn led to the need for better technology and its consequent integration into the economy. More industrial growth followed, especially in the

**Table 6.1** Basic facts about the manufacturing sector in India and Sweden

	Sweden	India
Contribution to GDP (%) in 2013	25.9% <sup>a</sup>	30.7% <sup>a</sup>
Ownership	Public and private	Public and private
Percentage of total employment	12% (in 2010) <sup>b</sup>	11.4% (in 2010) <sup>c</sup>
Percentage males in the sector	76.4% (in 2010) <sup>b</sup>	73.6% (in 2010) <sup>c</sup>
Percentage females in the sector	23.6% (in 2010) <sup>b</sup>	26.4% (in 2010) <sup>c</sup>
Salary for men	SEK 147.7/h (in 2008) <sup>d</sup>	INR 8336.2/month (in 2012) <sup>e</sup>
Salary for women	SEK 134.4/h (in 2008) <sup>d</sup>	INR 4093.6/month (in 2012) <sup>e</sup>

<sup>a</sup>Data obtained from World Bank (2015)

<sup>b</sup>Data obtained from ILOSTAT Database (2010a)

<sup>c</sup>Data obtained from ILOSTAT Database (2010b)

<sup>d</sup>Data obtained from ILOSTAT Database (2015a)

<sup>e</sup>Data obtained from ILOSTAT Database (2015b)

early twentieth century when many of the now multinational Swedish engineering companies such as Ericsson, SKF and Alfa Laval emerged. Even during the war period, the Swedish economy grew by 2.2% every year compared to other European nations, bolstered by stronger demand for its products.

These economic policies and the outlook, often labelled the ‘Nordic Model’, had their strongest effect in the post-war period. The growth continued till the 1970s when several industries were affected by a combination of changing market forces, increasing competition and increased oil prices. The consequent restructuring of the economy gave rise to information-intensive enterprises such as IT, biotechnology, etc., and a slew of economic reforms in the 1990s that changed the traditional welfare state model. This period was also marked by Sweden’s entry into the European Union. Currently, Sweden’s economy is still largely export-oriented. Besides the industries mentioned earlier, it is also driven by the hydroelectric power industry, chemicals, automobiles, pharmaceuticals, electronics, etc. Sweden has one of the highest rates of taxation in the world, and the country consistently ranks quite high on various global indices that include but are not limited to gender equality, health, education and human development. In 2014, the economy grew at a rate of 2.1% despite a slight decrease in GDP.

Table 6.1 reports data from the World Bank and the ILO pertaining to the manufacturing sectors of the two countries. Manufacturing accounted for 25.9% of Sweden’s GDP in 2013 according to World Bank estimates (World Bank 2015). Data from the ILO indicate that in 2010, 12% of all employment was attributable to this sector, of which 76.4% were male and 23.6% female employees. In India, out of the total employment in the manufacturing sector, 73.6% were male and 26.4% female employees. While the US Bureau of Labor Statistics estimated hourly manufacturing wages at USD 49.8 in 2012, ILO data show that men were paid SEK 147.7 per hour as compared to SEK 134.4 per hour in 2008. Despite the under-representation of women in the manufacturing sector, the gender gap in compensation is not as large as in India.

In India, the manufacturing sector employs 12% of the total number of women working. It is the second largest employer of women. Only the agriculture, hunting and forest sector employ more women (65% of the total number of women working). However, in its gender composition, the manufacturing sector is male-dominated. The proportion of women working in the sector is 26%. In Sweden, too, the manufacturing sector cannot be considered as a sector that employs many women. It employs 6% of the total number of women working, and is therefore the sixth largest employer of women. In terms of its gender composition, the Swedish manufacturing sector (with 24% women) is as male-dominated as the Indian manufacturing sector (ILOSTAT Database 2010a, b).

## **6.2 Profile of Organizations According to Socio-demographic Characteristics**

### ***6.2.1 The Indian Manufacturing Organizations***

Under the purview of the Indian government, today the manufacturing sector covers a vast number of varied enterprises that include consumer goods, infrastructure, small-scale manufacturing and cottage industries. However, in our sample of 12 manufacturing companies, activities largely conformed to the International Standard Industrial Classification of All Economic Activities (ISIC) Revision 4: three companies were involved in power generation, hydrocarbons and petrochemicals; four were engaged in manufacturing parts, components and equipment; two firms worked with the transformation and production of metal products; another two were providers of engineering services; and one company was involved in food products.

The average number of employees who worked in the Indian manufacturing organizations in our study was 1345, with the smallest organization having around 750 employees and the largest with around 6000 employees. Two of the units whose personnel we interviewed had fewer employees than the rest, which had at least 500 employees. The average proportion of women in the organizations was 13.3%, with a span from 0 to 60%. In the sample, only one organization employed part-time workers, who comprised a third (33%) of all its employees. The average proportion of temporary (contract-based) employees was 34.3%; 4 of the 12 firms had no temporary employees in their workforce. Across all the sectors, the manufacturing sector sample had the highest average proportion (21%) of employees hired by staffing agencies.

Eleven out of 12, or 90% of the sampled manufacturing organizations, had equal pay/rewards for males and females, besides a standard pay scale for the majority of their staff. While not low by any means, the manufacturing sector in India had the lowest proportion of employees with academic degrees (77.7%) of the four sectors studied—a fact that may be reflected in the presence of factory workers, whose minimum educational qualifications are often (technical) diplomas. The turnover rate and percentage of new managerial recruits were also the lowest among the sectors—11.0 and 11.0%, respectively. Managers in the manufacturing sector also largely have no secretarial support; only 30%, or 4 of the 12 organizations in our sample, offered secretarial support for managers.

Unsurprisingly, the top-level managers or CEOs were men in all the manufacturing sector organizations surveyed. The average proportion of women managers was found to be 32%, while the average proportion of women in the highest management team was 13.3%. Women were largely located within the HR, administrative and marketing departments of the organizations, whereas the engineering, mechanical and sales personnel were mostly men. However, three of the organizations explicitly mentioned having more women engineers in their workforce besides the areas just mentioned. All the organizations in the sample

communicated their policies and values through circulars, intranet access, e-mail, induction programmes/meetings, or a mix of these methods.

### ***6.2.2 The Swedish Manufacturing Organizations***

All nine manufacturing companies located in Sweden operated in the global arena. Four companies were multinational and had work sites in 30–180 countries. Four companies had locations in six or seven countries, and one had locations in only two countries. These less widely spread organization were, with one exception, part of larger concerns which were multinational. Seven of the nine companies were European-owned (four of these were Swedish-owned) and two were Asian-owned, whereas one was Indian.

The average number of employees who worked in the Swedish manufacturing units in our study was 1038, with the smallest work unit having around 230 employees and the largest 5000 employees. The average proportion of women in the sampled manufacturing organizations was 27.7%, with a span from 4 to 50%. In comparison with the IT, healthcare and education organizations, manufacturing was the most male-dominated sector in our study.

In contrast to the Indian sample, almost all the Swedish manufacturing organizations employed part-time workers (on average, 3.4%). One company had no part-time workers at all, and five companies had part-time workers to a small extent (1–2%). Part-time workers comprised 14% of the staff of one organization, the highest percentage of part-time workers in the manufacturing organizations surveyed. All organizations but one had temporarily employed staff (on average, 5.7%). In the organization with the highest number of temporary staff members, temporary personnel comprised 20% of employees, while in other firms the proportion varied from 1 to 10%. The manufacturing organizations in Sweden had on average the highest proportion of employees hired from staffing agencies (12.7%) relative to the other sectors surveyed, but the numbers differed. Four companies had hired 1–5% of their employees from staffing agencies; two companies had hired 18.5% or more. The highest number of employees hired from staffing agencies were found in one of two work units in one of the companies in the sample. That particular work unit had hired 51% of its employees from staffing agencies. One company did not wish to communicate how many part-time and temporary workers it employed, or how many employees had been recruited from staffing agencies.

In four of the nine Swedish organizations, it was reported that there was equal pay for male and female managers. In five organizations, the managers did not have equal pay. The HR managers in these organizations explained that the difference was not excessive, that the difference was due to different degrees of experience among the managers, or because of market reasons, or that women managers were usually not on the same level as male managers. One HR manager did not explain the differences in pay, but informed us that women managers in that particular organization earned 95% of the male managers' salary.

In all organizations but one, the HR manager said that they had a pay system based on a combination of both collective bargaining and individualized salaries. In two organizations, only the white-collar workers had individualized pay scales, not the blue-collar workers. One organization had collective bargaining but also some special agreements.

On average, the manufacturing companies in Sweden had the lowest proportion (39.4%) of employees with an academic degree in comparison with IT, healthcare and university organizations. However, the number of employees with academic degrees varied quite a lot, from 5 to 80%. This variation is because the sampled organizations from the manufacturing sector included both factories with mostly blue-collar workers, and technical developmental organizations and units with mostly white-collar workers.

The turnover in the manufacturing industry was low in comparison with the other organizations in IT, healthcare and education. On average, the companies had recruited 22% of their managers in the previous 3 years, and 9.3% of the managers had quit voluntarily. The proportion of managers who quit voluntarily ranged from 0 to 23% in this sector.

The proportion of women managers varied among the manufacturing companies. One organization had no women managers. The highest proportion of women managers found in an organization was 57%. On average, the proportion of women managers in the manufacturing companies studied was 24%, the lowest in comparison with organizations in the other three sectors.

Managers had secretarial support in only one organization. As in India, the topmost manager/CEO was male in all the Swedish organizations in our sample. The highest-level management teams in the manufacturing organizations had 25.3% women members on average. This proportion ranged from 7% in one organization to 50% in two of the organizations surveyed. In two of the nine Swedish companies in our study, the HR manager did not perceive any division of labour based on the employees' gender. In six other companies, the division of labour was quite obvious. One manager said that 'those who drive machines' in the organization were men. The managers explained that men usually worked in the factories within production as blue-collar workers. It was common for them to work as mechanics or electricians. They also worked in areas such as technology, properties, in product labs, in research and development (R&D), maintenance and storage.

Women were represented in greater numbers in white-collar units, and worked in design, logistics, ordering, HR and the salary department. They also worked as assistants and controllers. In one organization, the chemistry engineers were women. Interestingly, in one organization, women were common in the departments of economy/finance, while in another organization these units were male-dominated.

The HR managers reported that policies and values were communicated internally in many different ways. Several companies mentioned that they communicated these values in written form on the intranet (internal web). They sometimes made posters and displayed them on the walls, and also carried such information on television screens. Values were also communicated in workshops, through

education for the staff, during the induction of new employees, and also in staff appraisals and salary discussions. They were further communicated in meetings with managers, who were usually responsible for following up on an internal communication process to make sure that the information reached all employees. Some organizations had an implementation system for these processes.

For external communication of their values, some organizations used the external web or printed brochures. Another way to communicate values was through an organization's magazine. Finally, values were communicated in job advertising and during recruitment of new staff.

### **6.3 Conceptualization of CSR and EO**

In order to understand how managers from the two countries conceptualize CSR and EO, five managers from different manufacturing and engineering organizations in each country were interviewed. The managers were asked what they understood by the concepts of CSR and EO. They were asked to describe what these concepts meant in their organization/workplace. They were also asked to elaborate on the characteristics of organizations which practised CSR and EO and those which did not practise CSR and EO.

#### **6.3.1 CSR**

Compiling the responses of the five Indian managers from the manufacturing sector, we found that they thought CSR was important as a way of giving back to society by helping people who were needy. In their view, CSR also meant that you should take care of your employees, and should try to 'make them happy'. As manufacturing companies impact the natural resources and lifestyles of inhabitants in their vicinity, organizations owed it to the inhabitants of the surrounding area to take care of their health and well-being. One manager said 'When you put an industry in a town or village it has negative effects on the environment and affects people's lifestyle. So it is your duty to do something good for local people to pay back'. Another manager said 'CSR is taking care of employees' health, safety, and well-being. It also includes betterment of society, surrounding area, and overall for the coming generation. In brief it is giving back to the society'.

The concept of 'giving back to the society' is still very pronounced in the understanding of CSR, which is perceived more as a duty and responsibility towards the local area and community, alongside taking care of one's own employees. The focus on 'giving back to the society' implies that managers believe that the economic activities of manufacturing companies are embedded within the context of an interdependent and collectivistic society, and therefore depend on the



society's goodwill. Thus, companies have an obligation to the society, which they fulfil through their contribution through CSR.

In Sweden, managers perceived CSR in terms of different external and internal stakeholders, i.e. as responsibility to the society, the local community and the employees in the organization. The managers included both the global society and the local community when conceptualizing CSR. All managers placed emphasis on environmental sustainability. One manager believed that CSR was also about fair play in the business world, e.g. refraining from paying bribes.

However, different perspectives were expressed by managers regarding responsibility towards the local community. Three of the managers felt that the organization had a responsibility towards the local city. A manufacturing company creates a large number of job opportunities which may secure the city's future. In contrast, another manager opined that industry should do business and that it was not the organization's responsibility to think about the local community. This manager said:

The company has to perform and to earn money.... We don't have a responsibility for the survival of the city.... It is not for sure that it is good CSR to just put money in a unit that dies just because the city shall survive, because that may have complications in other places later.

Additionally, all the interviewed managers thought of CSR in terms of the environment and emphasized the companies' responsibility in this respect. Companies should, e.g. follow the law so that they do not harm the society or the environment. However, one manager questioned whether environmental thinking in organizations was sometimes local and not global in orientation, either because of the laws or because of a marketing perspective on CSR. This manager said

Maybe you do not care so much about what you pollute in China, but you are very careful in Sweden because of the laws, or [because of] the talk about CSR which gives you a PR [public relations] activity; that we sponsor homeless people or sponsor handicapped children, which actually do not cost so much.

Asked about what CSR meant in their organizations, Indian managers said that the company took care of its employees in ways that ranged from giving them equal opportunities to work and earn, to providing them a healthy, safe and clean work environment. One manager said that they ran a project named 'gender balancing', where they took responsibility for the all-round well-being of women workers in the company. The project involved the company's taking care of and providing extra facilities to its women employees, like a resting place, daycare centre and food packages for their young children. He also said that by providing employment to handicapped people, they were undertaking CSR. The activities ranged from providing food in the anganwadi centres (centres to engage young children from local communities/villages in active play and learning) to organizing welfare activities for local communities under their CSR policy in order to earn goodwill and build a positive image. One manager said that his company was involved in planting trees along the sides of a road on which many people travelled on pilgrimage. The organization also arranged for shelter and food on the highway for these people.

Looking at the CSR activities undertaken by their organizations as indicated by these managers, we see that the idea of charity or philanthropy and the religious aspects of CSR are important in India.

Talking about what CSR looked like in their organizations, Swedish managers said that they undertook activities such as sponsoring children for an international football tournament, sending money to Japan for earthquake relief, helping consumers save the earth's resources, sponsoring sports events, etc. They emphasized taking responsibility for the environment in matters such as transport, the use of chemicals and the resulting pollution, garbage handling, noise from the factory and how the company used and consumed natural resources. They discussed the company's responsibility towards employees, e.g. with regard to possibilities of learning and development, employees' wellness, working environment and occupational safety. One of the managers also emphasized the importance of respecting the unions and following rules regarding leave, such as parental leave, and supporting employees in combining their work and family/social life. According to two managers, CSR in their organizations involved the business's relations with customers. For example, one of these managers stated that the organization did not engage in bribery. Thus, there were varied perspectives on the concept of CSR among managers in Sweden, from a primarily profit perspective to the need to be ethical in business or to contribute to charity. Interestingly, all interviewees emphasized organizations' environmental responsibility.

Managers also expressed their views on organizations which did not practise CSR. In India, managers opined that in general CSR was something that companies had to do; some might have policies in place for it, while some others might outsource it to NGOs. A workplace without any CSR activities was perceived as profit-oriented, with no concern for its employees. One manager said that such organizations should not be allowed to do business, because they did not fulfil their duties, while another perceived such organizations as being completely unprofessional, inconsiderate and unethical, because they did not follow factory laws. So Indian managers see CSR activities as ethical and as an essential duty of organizations; not undertaking CSR activity can be considered as defying factory law, which stipulates the provision of a safe and healthy working environment for employees.

An organization that practised CSR, according to the Swedish managers, was one that followed rules and policies and did not offer or accept bribes. Such an organization had a long-term perspective when it came to the environment, its financial performance and the staff. The organization did not adopt a short-term perspective in hiring and firing staff.

One manager in Sweden claimed that an organization characterized by CSR values had to be reliable and trustworthy in the CSR activities it undertook, and should not undertake such activities as a mode of 'too much marketing'. This manager said it was important that 'you do not only believe in it from a marketing perspective ... but that you really want to put in time, money or resources to be able to work with improvements which will support these issues .... There has to be an ambition that you want to do something real'.

Additionally, the managers also invoked internal CSR by emphasizing organizations' responsibility towards employees through following employment laws and offering a good working environment. One manager included future staffing in the conceptualization of CSR. This manager said that the organization also needed to consider how it could be an attractive workplace for the next generation of employees. The same manager also felt that companies should not simply use CSR practices to popularize themselves, or as good PR activity; they should genuinely care for the CSR activities they engaged in from both a local and a global perspective.

Firms interviewed in the manufacturing sector in India were fairly proactive and outspoken about their CSR activities. More than half of the companies sampled were involved in activities for the improvement of children's education and schools in rural areas, directly or through financial support for NGOs working in related fields. Other activities included sponsoring medical services, green initiatives and the adoption of villages under the PPP model. Furthermore, the interactions reflected a sense of pride and fulfilment in the undertaking of these activities, which are also well documented in the organizations' corporate communications and websites.

### **6.3.2 EO**

As far as EO is concerned, the responses of the five Indian managers from the manufacturing sector show that managers in this sector believe that EO entails that everyone should be treated equally, and that the organization should create fair opportunities for both men and women. It also means that the person most suited for a job will be employed regardless of gender, that the organization has the same policies in place for men and women and that work plants should provide facilities for both genders. While Indian managers want to have EO, they also feel that men and women should work at different kinds of jobs: 'In general women are fit for noble professions only. See, by nature, they are made for such jobs like health, education and so on. So along with that they do difficult household tasks, and that is why they should be given light work'.

They also emphasize that men and women should work in different places within the organization, as women cannot be present everywhere in the organization. Only men should work, e.g. in units where hard physical work is needed. One manager suggested that this was due to cultural reasons: 'Maybe because we are Indians among whom females are considered as soft-spoken'. The nature of the working environment is described as important for whether a woman can work in a unit or not. One of the managers said

We want to be equal but in our manufacturing sector where a lot of hard work and physical work are required to be done ... here the labourers are ... not very qualified, not very cultured. So women should not be able to be in direct contact with them. So they are good in office work and so we keep them in office work.

However, women are not only affected by the working environment, but also have an impact on it. One manager explained that he thought that it was good for the work atmosphere to have at least one woman working in a male-dominated work group.

Aspects that create a non-equal workplace in the organization, according to the managers, included the fact that the organization has to look out for the safety of women, which entails that women cannot work late at night. Women's possibilities at work are also affected by their responsibilities at home. For example, such responsibilities make it difficult for women to commute to a workplace. Additionally, according to factory laws, organizations provide maternity leave to mothers but not to fathers, as fathers are not eligible for parental leave.

In one interview, a manager suggested that the division of labour is changing in India: 'opportunities are rising for females day by day', and females are 'very active in every sector ... in bigger cities in India'. However, the same manager also points to the difficulty that 'in India not many people [want to] have a female boss, rather they want a male boss'.

The Swedish managers saw EO as concerning, for example, equal pay for equal work regardless of gender. It also meant that a manager could not discriminate or distinguish between employees or give unfair advantage to one employee over another based on gender. According to the managers, EO also meant that women and men with the same background should have the same opportunity to be recruited, and that recruiters had to focus on the competence needed, instead of basing their decision on the individual's sex. In their experience, it may be harder for women to be recruited in a male-dominated branch due to the recruiters' tendency to hire applicants who are similar to themselves. It is also difficult for managers to recruit competent women. The recruiter has to put in an effort to succeed. One example cited was that of a manager who finally succeeded in finding and recruiting women to positions, even though only men had applied for the job in the first stage.

You often hear these comments that yes, but I only got male applicants.... But that is complete nonsense. Sort of. I have recruited, I had 10 production managers ... and I was going to recruit more, and yes I only got male applicants. But much more qualified women existed when I searched for them ... and who applied, and who got the job....

One manager reflected that women seemed to quit earlier in comparison with men in the more male-dominated units, even though the employees were recruited at the same point of time. Although this happened in particular male-dominated units, the manager's conclusion was that it was not because of the organization, but because of the personal situation of women, which made such work unsustainable when they became parents.

Three of the managers in Sweden concluded that men and women tended to work in different places in the organization or have different work tasks. The managers thought that this horizontal division of labour was due to men's and women's different abilities or because men and women were attracted to different work tasks. For instance, one manager in a production unit said

In my unit, I have rather many girls working.. But very few of them work with the most complicated processes.... In the production unit ... I think, that there are easier work tasks which are less demanding ... physically. But these are those [work tasks] which demand less logic and less technique, and are done by the girls. Then, the girls are good at it, and the boys are not good at it.

Managers in Sweden also include relational aspects in the meaning of EO, such as whether there is a difference in how men and women are treated, respected, listened to, get support or are talked about in the organization. They believed that sexual harassment should not be tolerated.

The possibility of combining work and family is also an aspect of EO. For some positions, it is expected that the employee will go abroad to get international experience. Earlier, men who agreed to work abroad took their homemaker wives with them. As companies do not cover the costs in the same way as earlier, it is now hard for families to go abroad. Respondents also suggested that it was especially hard for women to take these positions as there were large costs that were not covered by the woman's salary during a work stint abroad. Another example cited was the expectation that women would prioritize their family over work. However, according to one manager, men have the same issues as women have. The male employees want to stay home with sick children, or want leave early to pick up their children from daycare.

The managers from India concluded that an organization characterized by EO is one that gives opportunities to women, and further offers many job positions in which females can be recruited, such as administration, accounting, finance, HR, web design, and data handling. However, keeping cultural constraints and demands under consideration, it is desirable that units offered to women should have a decent atmosphere, and that the organization should not ask women to work at night as this would further require 'look[ing] out for the safety of females'. Nevertheless, an organization that does not provide EO is perceived as one that is biased with regard to its employees. The managers suggested that EO depended on the nature of the work, as there were some areas in which men did not work, and some areas in which women did not work.

In Sweden, the managers suggested that an organization characterized by EO is one where employees are valued in the same way regardless of sex, and one that strives for a numerical balance between sexes in work groups. It is also an organization which is open to various perspectives and has to strive for organizational development. Managers suggested that an organization really has to make an effort to promote EO in order to achieve results. An organization can, e.g. strive to find competent women who can apply for jobs, even though it might be a male-dominated field where most candidates are men. The organization should also have an outspoken policy of prioritizing competence when recruiting new staff. One manager suggested that in an organization without EO, there is a lack of understanding with regard to the employee's family situation regardless of whether the employee is a man or a woman.

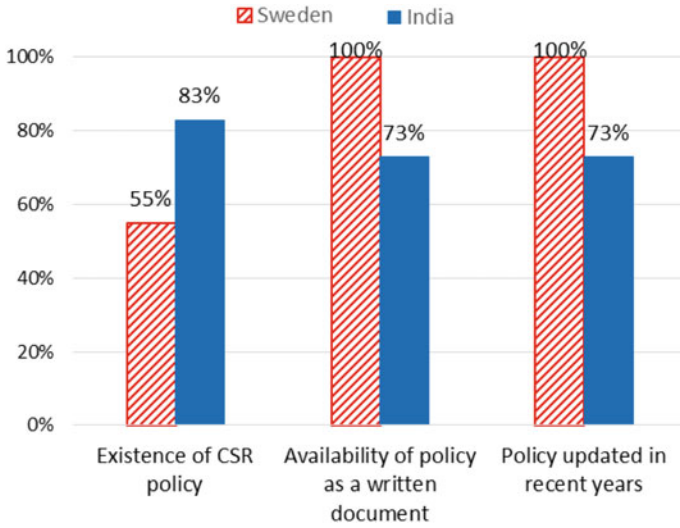
## 6.4 CSR and EO Policies in Practice

This section presents information gathered from in-depth, structured interviews with the HR managers of all participating organizations about practices relating to the values of CSR and EO in their organizations. The practices are assessed in terms of the formalization of values through instituting a policy, implementation of values through creating awareness and making the policy documents accessible to managers, and communication through which the value is used for internal and external brandings. The responses were coded in 'yes', 'no' and 'sort of' categories; the percentage of 'yes' responses is depicted in the bar graphs provided in the figures accompanying the discussion.

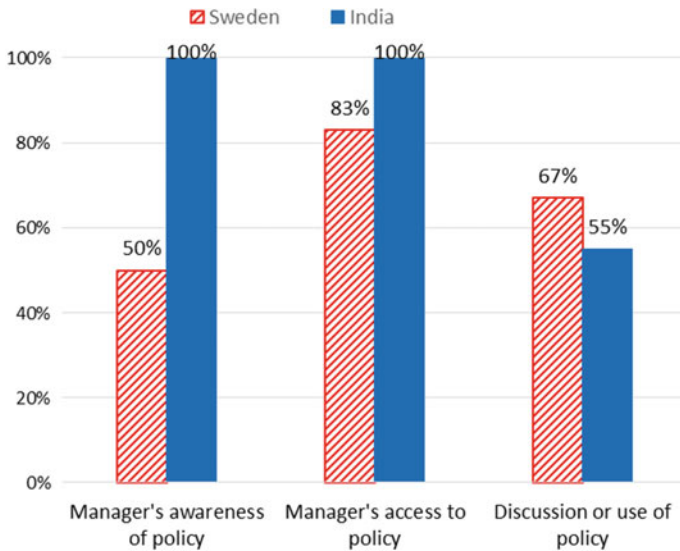
The graph in Fig. 6.1 represents to what extent CSR policy was formalized in the different organizations of the manufacturing sector in Sweden and India. The formalization is conceptualized here in terms of having a policy in written form, and whether the policy had been updated in recent years. The graph shows that compared to Sweden, more organizations in India had a CSR policy. However, 11% of Swedish organizations and 8% of Indian organizations said that they 'sort of' had a policy on CSR. This means that they did not have a policy that encompassed the whole concept of CSR, but had policies that concerned, e.g. the environmental aspect of the concept. From among the organizations which had a CSR policy, all Swedish organizations had it in written form, whereas fewer organizations in India possessed the policy in written form, even though some Indian organizations (9%) reported that the policy had been formalized in writing to a certain degree. The final indicator of formalization is the policy having been recently updated. All of the Swedish organizations that reported having a CSR policy also reported that it had been updated in the previous few years, whereas this was the case for only 73% of the Indian organizations which reported having a policy.

The second component of CSR practice pertains to the implementation of the policy in the organization. Implementation consists of the awareness of managers about the policy, their access to the policy, and whether the policy had been discussed or used in recent years. Figure 6.2 shows that 100% of Indian manufacturing organizations reported their managers being aware of and having access to the policy. On the other hand, only half of the Swedish manufacturing organizations reported their managers being aware of the policy (and 33% were aware only to a certain degree). Further, 83% of the organizations reported that their managers had access to the policy. However, when it came to discussion and use of the policy in the organization, and whether it was regularly updated, Indian and Swedish organizations did not differ much.

The third component measures the existence of CSR policy in an organization in terms of organizational communication. The communication component consists of questions regarding whether the policy was communicated externally, and whether there was a version of the policy available to a broader public, e.g. on the website and in brochures. Figure 6.3 shows that one-third of Indian organizations reported that the policy was communicated externally (an additional 18% communicated the



**Fig. 6.1** Formalization of CSR in manufacturing organizations in Sweden and India (Prepared by the authors)



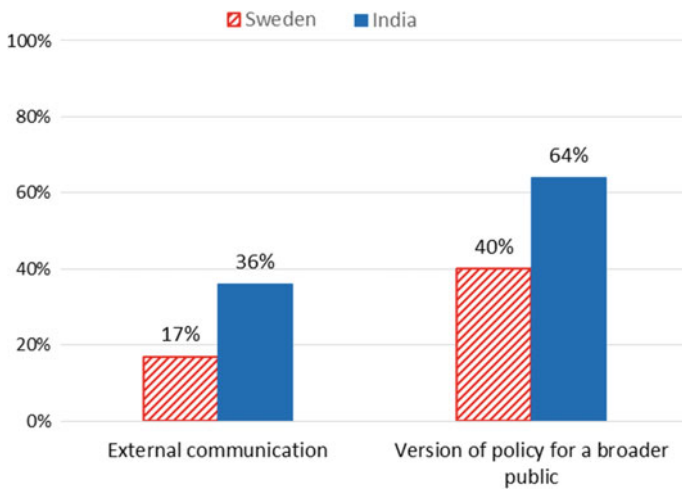
**Fig. 6.2** Implementation of CSR in manufacturing organizations in Sweden and India (Prepared by the authors)

policy externally to a certain degree). Almost two-thirds disseminated a version of the policy for a broader audience. However, only 17% of Swedish organizations reported that the policy was communicated externally (additionally, 33% reported

that they communicated the policy to a certain degree). Of the Swedish organizations, 40% had a version of the policy for a broader audience. Even though not fully communicated, some organizations in both countries (33% of Swedish organizations and 18% of Indian organizations) reported that they communicated their CSR policy externally to a certain degree.

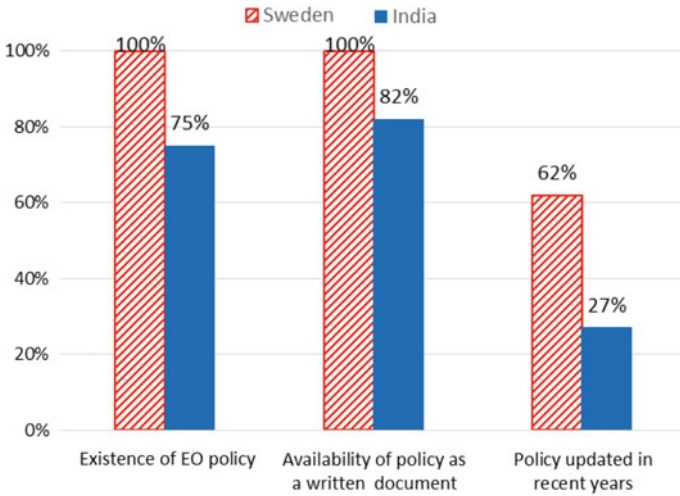
Figure 6.4 represents the extent of EO in manufacturing sector organizations in Sweden and India. The formalization of EO policy is conceptualized here in terms of having a policy, having it in written form and updating it in recent years. The percentages of organizations saying ‘yes’ or ‘no’ to these three components are depicted in Fig. 6.4. The graph shows that 100% of Swedish organizations had a policy on EO, and they all had it in writing, whereas in India, 75% of the organizations surveyed had a policy (a further 17% ‘sort of’ had a policy). Of those who said they had a policy, 82% had it in written form. Almost two-thirds of the Swedish organizations reported that the policy had been updated in recent years, whereas only less than one-third of Indian organizations reported updating the policy in recent years.

The second component inquires about the implementation of the policy in the organization. Implementation includes the awareness of managers about the policy, their access to the policy, and whether the policy had been discussed or used in the previous year, besides being updated. Figure 6.5 shows that about two-thirds of the managers in Sweden and 82% of Indian managers reported that they were aware of their organizations’ EO policy. Additionally, 22% of organizations in Sweden reported that the managers were aware of the policy to a certain degree. In Sweden, 100% of the organizations reported that the managers had access to the policy, whereas in India 82% of the organizations reported that their managers had access

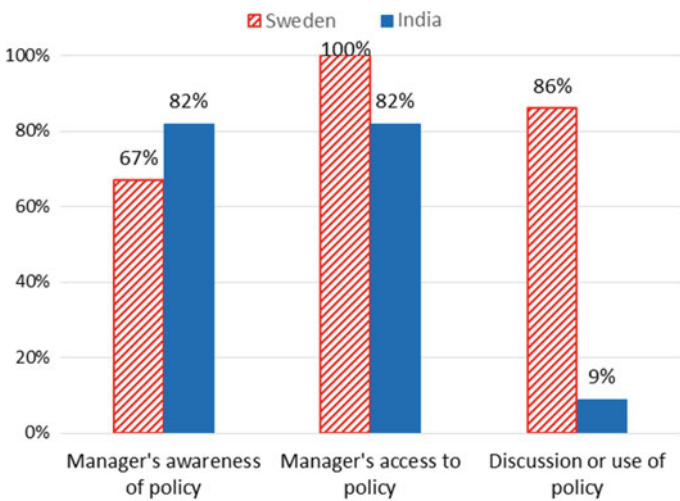


**Fig. 6.3** Communication of CSR in manufacturing organizations in Sweden and India (Prepared by the authors)





**Fig. 6.4** Formalization of EO in manufacturing organizations in Sweden and India (Prepared by the authors)



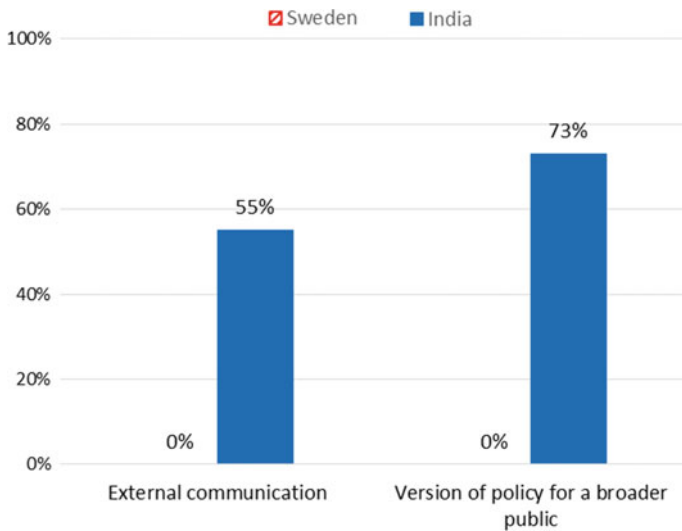
**Fig. 6.5** Implementation of EO in manufacturing organizations in Sweden and India (Prepared by the authors)

to the policy. With regard to discussion or use of the policy, besides the policy being recently updated, 86% of the Swedish organizations reported that the policy had been discussed or used during recent years besides being updated. Only 9% of Indian organizations reported that the policy had been discussed or used besides getting updated.

The third component addresses the existence of the EO policy as a value in the organization, measured through organizational communication. The communication component consists of questions regarding whether the policy was communicated externally or not, and whether it existed in written form. Figure 6.6 shows that 55% of Indian organizations reported that the policy was communicated externally, and about 73% had a version of the policy available to a broader public. Swedish organizations, however, reported that neither was the policy communicated externally nor was there a written version of it. However, 11% of Swedish organizations reported that they communicated the policy to a certain degree.

So far, we have seen how CSR and EO for men and women are handled at the policy level in these organizations. We shall now turn our attention to how the managers perceived these practices in their day-to-day managerial work. In the questionnaire, managers rated how often different issues were discussed in management meetings. They rated the frequency of discussions concerning CSR and EO. For comparison, they were also asked to rate how often issues regarding competitive performance were discussed.

Managers in both India and Sweden reported that competitive performance was discussed most frequently, followed by EO and CSR (Fig. 6.7). There was no difference between Indian and Swedish managers' reports on the frequency of discussion concerning competitive performance. Indian managers (82%) and Swedish managers (81%) reported that such issues were discussed very often or often. However, Indian managers reported more frequent discussions concerning EO (50% very often or often) than Swedish managers (17% very often or often).



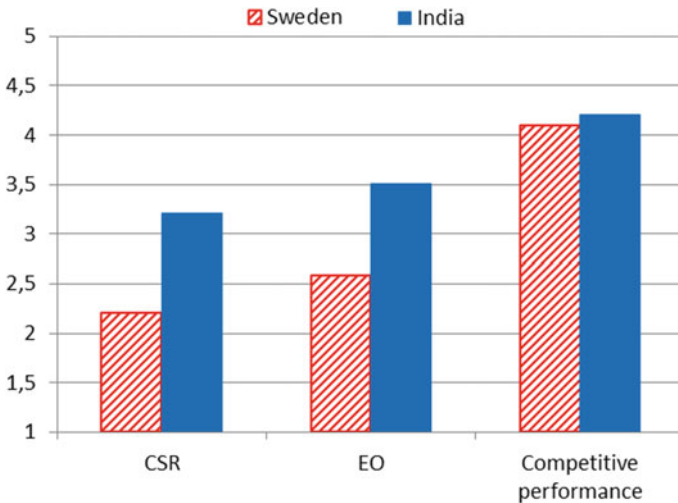
**Fig. 6.6** Communication of EO in manufacturing organizations in Sweden and India (Prepared by the authors)

Indian managers also reported considerably more frequent discussions concerning CSR (42% very often or often) than Swedish managers (6% very often or often).

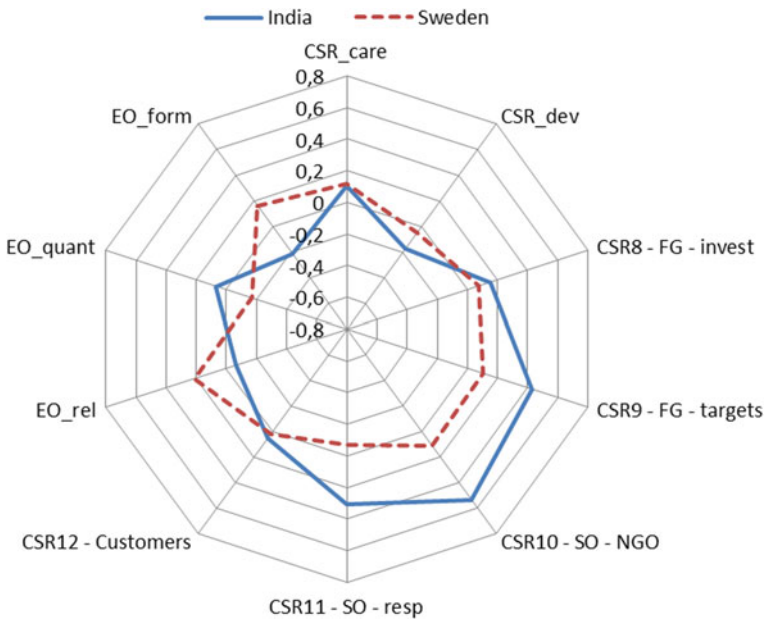
## 6.5 Differences Between the Countries in Perceptions of CSR and EO

In this section, we will compare how Indian and Swedish managers perceived aspects of CSR and EO for men and women in their organizations (Fig. 6.8). Corporate social responsibility was represented by the two dimensions of internal CSR, including organizations' responsibilities to their own employees (caring for employees and emphasis on employees' development) and five single items (see Chap. 5 for the wording of these items) representing different aspects of external CSR targeting future generations, the surrounding society and customers. Equal opportunity for men and women was represented by three dimensions: EO in informal relations, equal quantitative vertical division of labour, and EO in formal procedures and relations of power.

Swedish and Indian managers perceived their organizations similarly with regard to both aspects of internal CSR. Thus, there were no differences in managers' ratings of the organization's care for employees and the emphasis on employees' development. However, with regard to external CSR, Indian managers rated their organizations higher than Swedish managers on three of five indicators: CSR9 (the organization targets sustainable growth), CSR10 (the organization supports NGOs)



**Fig. 6.7** Managers' ratings of how often CSR, EO and competitive performance were discussed in management meetings (Prepared by the authors). *Note* Managers' ratings in the manufacturing sector: 1 = never, 5 = very often



**Fig. 6.8** Managers’ ratings of aspects of CSR and EO in the manufacturing sector in India and Sweden (Prepared by the authors). Note *CSR\_care* caring for employees; *CSR\_dev* supporting employees’ development; *CSR8-FG-invest* responsibilities towards future generations, investment; *CSR9-FG-targets* responsibilities towards future generations, targets sustainable growth; *CSR10-SO-NGO* responsibilities towards the society, supports NGOs; *CSR11-SO-resp* emphasizes the importance of its responsibilities towards the society; *CSR12-customers* responsibilities with regard to customers’ rights; *EO\_rel* EO in informal relations; *EO\_quant* equal quantitative representation in vertical division of labour; *EO\_form* EO in formal procedures and relations of power

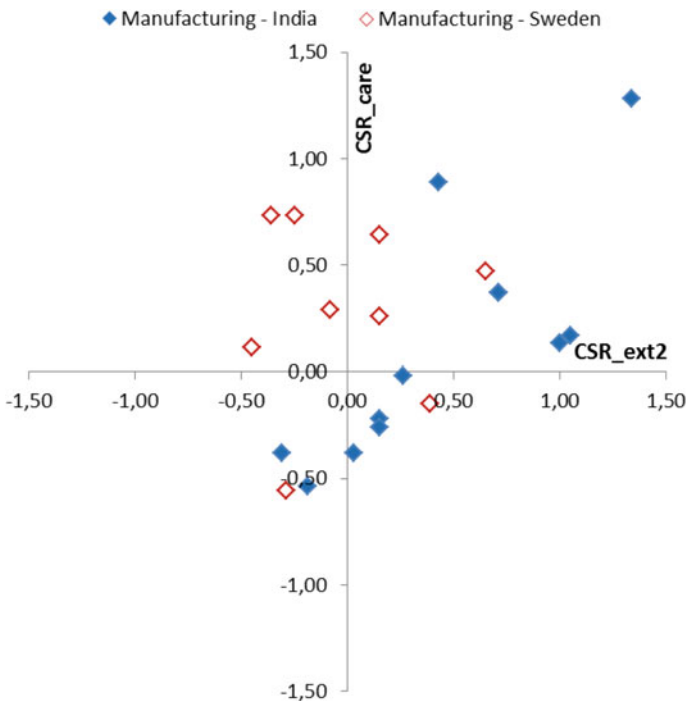
and CSR11—the organization emphasizes the importance of its responsibilities with regard to the welfare of society. No difference was found between Swedish and Indian managers concerning their rating of CSR8 (the organization invests to create a better life for future generations) and CSR12 (the organization respects customers’ rights beyond the legal requirements).

Swedish managers rated EO in their organizations higher than Indian managers with regard to two aspects: EO in informal relations and EO in formal procedures and relations of power. On the other hand, Indian managers rated one aspect of EO higher than Swedish managers: equal quantitative vertical division of labour.

## 6.6 Profiles of Sample Organizations on CSR and EO

In this section, we scrutinize how the managers in the sampled organizations perceived selected aspects of CSR and EO. Figure 6.9 shows how the manufacturing companies scored on external CSR (two-item definition, see Chap. 5) and internal CSR (caring for employees). Ten of 12 (83%) Indian organizations scored above average on external CSR, while 2 of 12 (17%) scored below average. Four of nine (44%) of the Swedish organizations scored above average on CSR external, while five of nine (56%) scored below average.

As shown in the previous section, on average, the Indian managers scored significantly higher in their rating of various aspects of external CSR. Still, there was a considerable spread among the Indian organizations; all of them did not score higher than the Swedish organizations. Many of the organizations had similar scores to their Swedish counterparts, as shown in Fig. 6.9. This figure illustrates companies' scores on external and internal CSR. Most of the Swedish organizations scored above average on internal CSR, while two of nine scored below average;



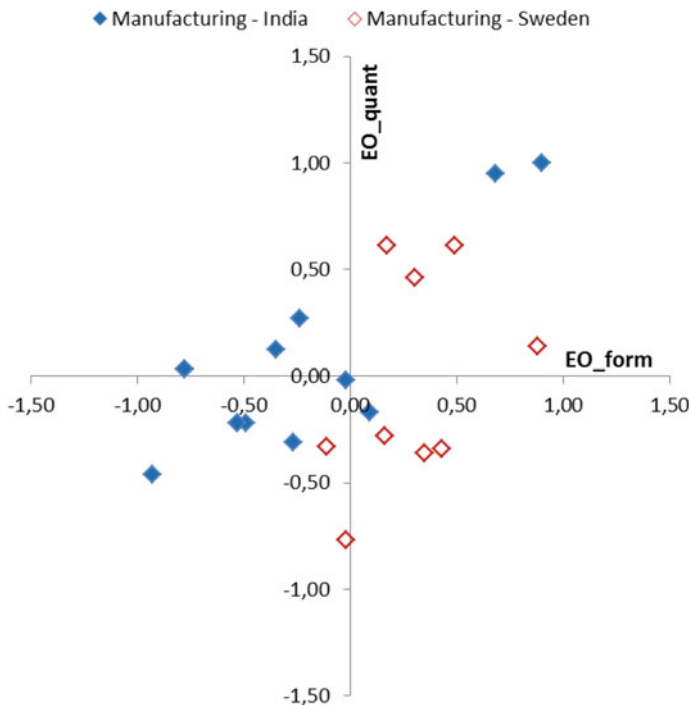
**Fig. 6.9** Ratings of CSR for 12 Indian and 9 Swedish manufacturing companies (Prepared by the authors). *Note* The horizontal axis represents CSR with an external perspective (CSR\_ext2). The vertical axis represents CSR with an internal perspective, caring for employees (CSR\_care). Two Indian organizations' positions coincide at the point (0.71, 0.37)

although Indian and Swedish managers did not differ significantly in their average rating. This has to do with a wider range between the Indian organizations; two Indian organizations scored higher than any of the Swedish organizations, and this increased the Indian mean value.

Among the Indian organizations, there was a clear association between external CSR and internal CSR. Companies scoring high on external CSR also scored high on internal CSR. This kind of association could not be seen among the Swedish companies.

As shown in the previous section, on average the Swedish managers scored significantly higher in their rating of formal aspects of EO. Still, there were differences among the Indian organizations, and two Indian organizations actually had similar scores to the Swedish organization with the top rating, as shown in Fig. 6.10.

Furthermore, the Indian managers scored on average significantly higher in their rating of quantitative aspects of EO, as shown in the previous section. This could be attributed to two Indian organizations that scored higher than any of the Swedish



**Fig. 6.10** Ratings of EO for 12 Indian and 9 Swedish manufacturing companies (Prepared by the authors). *Note* The horizontal axis represents formal aspects of EO (EO\_form). The vertical axis represents EO with respect to equal representation in the quantitative division of labour (EO\_quant). Two Indian organizations' positions coincide at the point (-0.53, -0.22)

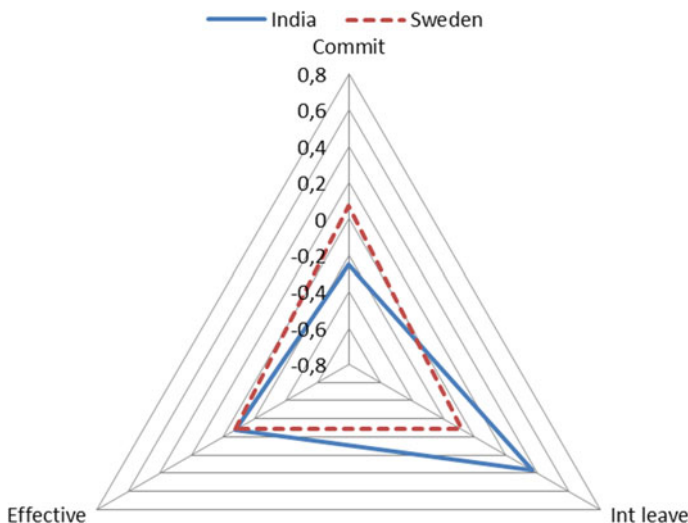
organizations, therefore increasing the Indian mean value. Otherwise, Indian and Swedish organizations were quite similar in this respect (see Fig. 6.10).

Among the Indian organizations, there was a clear association between the formal and quantitative aspects of EO. Companies scoring high on the formal aspects also scored high on the quantitative aspects of EO. This kind of association was less pronounced among the Swedish companies.

### 6.7 Differences Between the Countries in Perceptions of Attractiveness and Effectiveness

Figure 6.11 shows how Indian and Swedish managers rated the attractiveness of their organizations as represented by two indicators: managers’ rating of intention to leave the organization and managers’ commitment to the organization. Furthermore, the figure shows how the managers rated the effectiveness of their units.

Swedish managers rated their organizational commitment higher than the Indian managers did (effect size = 0.32). Furthermore, Swedish managers rated their intention to leave lower than Indian managers (effect size = 0.45). Thus, both indices show that Swedish managers regarded their organizations as more attractive



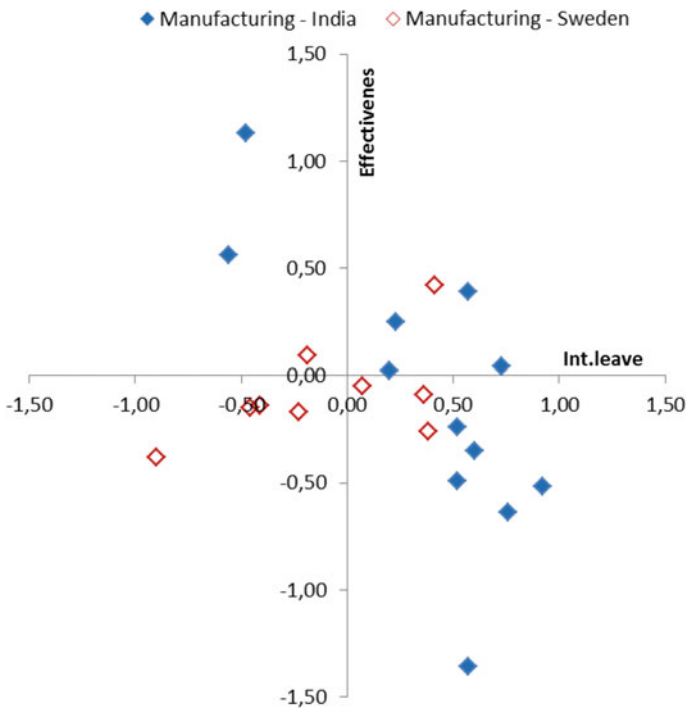
**Fig. 6.11** Managers’ rating of aspects of attractiveness and effectiveness in the manufacturing sector in India and Sweden (Prepared by the authors). Note *Commit* organizational commitment; *Int leave* intention to leave the organization; *Effective* perceived effectiveness of the organizational unit

compared to Indian managers. Concerning the rating of unit effectiveness, there was no difference between Swedish managers and Indian managers.

### 6.8 Attractiveness and Effectiveness Across Sample Organizations

As reported in the previous section, Indian managers on average scored significantly higher in their rating of the intention to leave as compared to Swedish managers. Most Indian organizations were quite similar, with scores between 0.20 and 0.92, but two notable exceptions were observed, as shown in Fig. 6.12. These two organizations had similar scores to the best Swedish organizations with the lowest intention to leave.

Six of 12 Indian organizations scored above average on effectiveness, while the remaining 6 scored below average. Two of nine Swedish organizations scored above average on effectiveness, while seven scored below average. However, as



**Fig. 6.12** Ratings of attractiveness (intention to leave) and effectiveness for 12 Indian and 9 Swedish manufacturing companies (Prepared by the authors). *Note* The horizontal axis represents intention to leave (a high value represents a non-attractive organization). The vertical axis represents managers' ratings of effectiveness

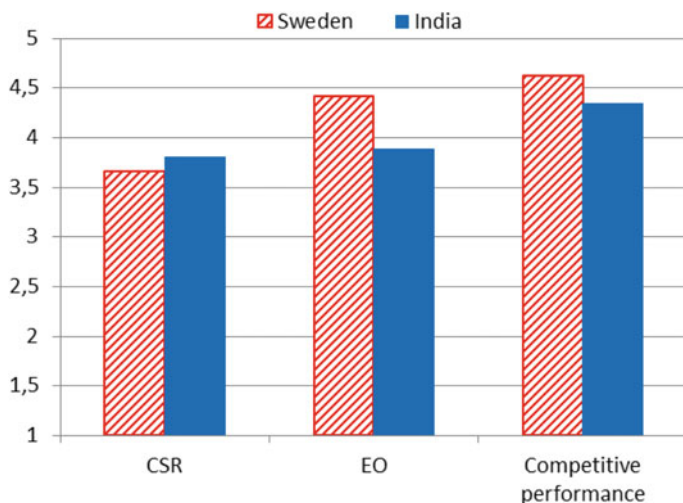


seen in the previous section, Indian and Swedish managers did not differ in their average rating of effectiveness. This has to do with the Swedish organizations gathering around 0 with low variation. Indian organizations, on the other hand, showed a high variation, with both higher and lower values compared to the Swedish organizations.

Among Indian organizations, there was a clear negative association between intention to leave and effectiveness. Companies scoring high on intention to leave scored low on effectiveness. The association among the Swedish companies was not that clear.

## 6.9 Importance of Values for Attractiveness

The managers were asked to rate how important CSR and EO were for the attractiveness of an organization. For comparison, they were also asked to rate how important competitive performance was for attractiveness. Managers in both India and Sweden regarded competitive performance as most important for the perceived attractiveness of an organization, followed by EO and CSR, as shown in Fig. 6.13. Swedish managers rated competitive performance as more important (97% very or quite important) than Indian managers (84% very or quite important). Swedish managers also rated EO as more important (87% very or quite important) than Indian managers (71% very or quite important). There was no significant difference in the ratings of the importance of CSR. Finally, more Indian managers (70%) than



**Fig. 6.13** Managers' ratings of the importance of CSR, EO and competitive performance for the attractiveness of the organization (Prepared by the authors). *Note* Managers' ratings in manufacturing sector: 1 = not important; 5 = very important

Swedish managers (59%) rated CSR as very or quite important, but the difference was not statistically significant.

## 6.10 Summary and Discussion

The different socio-cultural histories, growth impetus and development indices of India and Sweden may be expected to be reflected in the values and priorities strategized by manufacturing organizations in the two countries. We describe the major differences and similarities in this section. In the Indian manufacturing sector, the average proportion of women employees in the organization is less than half the average proportion of women in the Swedish manufacturing sector. Except one organization, the Indian manufacturing sector does not have part-time workers at all, whereas most of the Swedish organizations have part-time employees. Another difference is that male and female managers are said to receive equal pay and rewards in almost all Indian organizations except one, as compared to less than half of the organizations in Sweden. However, the CEOs in all the organizations surveyed in India and Sweden are exclusively men.

The managers were interviewed in 2012, before CSR became mandatory in India for large-scale manufacturing organizations. Indian managers conceptualized CSR as an essential duty of the organization and as philanthropic in nature. They felt that when organizations use the local resources of a community to make economic profits, they should give back to the society by doing good for the society. Medical services, green initiatives and adopting villages under PPP were activities taken up by most manufacturing organizations that participated in the study. One manager included a programme called 'gender balancing', where the organization took responsibility for the all-round well-being of women employees in the company. Swedish managers had diverse views on CSR. By and large, managers perceived CSR in terms of environmental sustainability and supporting various causes by sponsoring sports events or educating children in the underdeveloped world. Managers perceived CSR in terms of different external and internal stakeholders, such as taking care of the global society, taking care of the local community and taking care of the employees in the organization. All managers emphasized the aspect of environmental sustainability.

The findings indicate that when a policy is formalized by the government through an act or a law, it gets reflected in the structures and systems of the organizations and institutions of a country. The quantitative data were collected from 2013 to 2015. During this period, CSR became mandatory in India. As discussed in Chap. 3, any company having a net worth of INR 5 billion or more, or a turnover of INR 10 billion or more, or a net profit of INR 50 million or more, should mandatorily spend at least 2% of its average net profits over the previous 3 years on CSR activities, as specified in Schedule VII of the Companies Act, which came into effect on 1 April 2014. Although organizations had been engaging in CSR activities prior to the act, the obligatory nature of the law has brought an

instant awareness among organizations and exerted pressure on them to make CSR a part of their policy documents, as well as creating awareness among employees about CSR.

Overall, there are similarities in how the concept of EO is construed by Indian and Swedish managers. Managers from India and Sweden, e.g. emphasize that there should be EO in the organization, and that both genders should be equally treated. But managers in both countries also experienced a gender division of labour and expressed the view that men and women are naturally different. Managers from both countries felt that women had problems in combining work and family due to cultural obstacles in the organization or in the family.

However, there are also differences. The Indian managers, for instance, recommended a division of labour in the organization, as they felt women should not work in harsh physical conditions and needed a decent working environment. Although EO is ensured by law, organizations should exercise positive discrimination towards women when it comes to the nature of work demands. It was also emphasized that managers have to look out for the safety of women. Swedish managers, on the other hand, remarked that EO concerns about gender should not matter in the organization, that men and women should not be distinguished or discriminated between. They emphasized that men and women should be equally listened to and respected at the workplace. Also, managers felt that the organization had to put more effort into the promotion of EO in order to achieve results.

An exploration of the practices around CSR and EO values yields interesting results. Most of the Indian organizations (83%) said that they had a policy for CSR, and 73% of these organizations had it in written form and had updated it in recent years. Somewhat fewer organizations in Sweden reported that they had a CSR policy, but all organizations which reported having a policy had also updated it in recent years. We further found that all the Indian organizations that participated in the study claimed that their managers were aware of and had access to the CSR policy. In comparison, fewer Swedish manufacturing companies claimed that their managers were aware of the CSR policy and had access to it. In sum, the Indian organizations seem to have implemented CSR policies to a larger degree than the Swedish organizations.

The trend is the reverse in the case of EO, as the Swedish companies seem to have formalized and implemented EO policies to a larger degree than the Indian companies. All the Swedish companies said that they had a written policy on EO, and 62% of those who had a policy had updated it in recent years. Fewer organizations in India claimed that they had a written policy document, and less than one-third of the organizations which had a policy had updated it in recent years. In Sweden, 86% of the organizations said that apart from updating the policy in recent years, they also held regular discussions about the EO policy, as against only 9% of organizations from India. It was further reported that managers in Swedish companies had somewhat greater access to the EO policy than managers working in Indian companies.

However, what is very interesting is that more than half of the Indian organizations that had an EO policy said that the policy had been communicated

externally. In addition, 73% of the Indian organizations also had a version of the policy available to a broader public, while most of the Swedish organizations said that their EO policy had neither been communicated nor a version of the policy for a broader audience. It seems that Indian organizations have a need to communicate the value they place on EO, whereas the sampled Swedish organizations did not seem to see the need for such external communication. Another interpretation is that Swedish organizations are good at formalization at the policy level and at implementing the policy in the organization, but do not prioritize working actively to disseminate the policy externally.

Findings from the quantitative study suggest that Indian manufacturing organizations report a much stronger concern for society through their association with NGOs, their feeling of responsibility towards the society and towards future generations, compared to Swedish organizations. However, Swedish and Indian organizations had similar scores for internal CSR, i.e. caring for employees' well-being. Indian organizations which reported a high external CSR also showed high scores on internal CSR, presenting a coherent pattern of CSR as a value. In the Swedish context, internal and external CSRs were not found to be correlated. Indian organizations displayed a greater emphasis on equal quantitative vertical division of labour with respect to EO, whereas Swedish organizations valued equality in formal procedures and relations of power, and equality in informal relationships. Indian organizations showed a clear association between the formal and quantitative aspects of EO, an association that was less pronounced in Swedish organizations. Indian manufacturing organizations also showed greater consistency in reporting their perceptions of different aspects of CSR and EO as compared to Swedish organizations.

Despite the fact that managers of Indian and Swedish manufacturing organizations perceived their organizations as similarly effective on average, Indian managers were found to have less commitment and higher intention to leave. However, in Indian organizations, managers' intention to leave was correlated with a lower perception of effectiveness. The association between intention to leave and perception of effectiveness was weaker in Swedish organizations.

Both Indian and Swedish managers agreed to a great extent that they held discussions about competitive performance in their organizations. However, Indian managers in the manufacturing sector also reported a fair amount of discussion on both CSR and EO, as compared to their Swedish counterparts. The answers to the question about which values they thought made organizations attractive supplement these findings. Both Swedish and Indian managers reported that an organization's competitive performance made it more attractive than CSR or EO. However, more Indian organizations reported CSR as an important value, and more Swedish organizations reported EO as an important value for making the workplace attractive, as compared to their counterparts in the other country.

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# Chapter 7

## The Information Technology Sector

### 7.1 The IT Sector in India and Sweden

The IT sector, or the information and communication technology (ICT) sector, is one of the most prominent and robust industries in today's world economy. It has been a driver of economic growth in both developed and developing countries over the past 30 years. This growth has accelerated particularly since the late 1990s with improvements in internet and related technologies and their increasing ubiquity. The Information Technology Association of America considers 'information technology' as encompassing all aspects related to computers and computer-based systems—including design, engineering, hardware, software, consumer products and so on.

In India, the IT sector has only really flourished since the liberalization of the economy in 1991. Till then, telephony and communication technologies were primarily the domain of government enterprises. According to data from the National Association of Software and Services Companies (NASSCOM), the IT sector is currently the country's largest private employer, has the largest share in the export of services and also has the highest relative contribution to GDP, estimated as 9.3% between 2010 and 2015 (NASSCOM 2016a). Furthermore, current estimates show that India contributes up to 56% of global sourcing (ibid.). The Indian IT industry has transformed itself from a back-office service provider to a partner in business transformation.

The Indian IT/business process management industry comprises 16,000 firms and has a global presence in more than 80 countries (NASSCOM 2016b). The sector has an estimated revenue of USD 143 billion in 2016 (ibid.). The estimated export of the industry for the year 2016 was USD 108 billion, with a global sourcing of USD 162–166 billion (ibid.). Major segments within the Indian IT industry include IT services, business process management, software products and engineering (hardware) services; the sector is still the premier destination for off-shoring business processes. For various reasons, activities within the sector are

**Table 7.1** Background information about the IT sector in India and Sweden

	Sweden	India
Contribution to GDP (%)	6.8% (in 2013) <sup>a</sup>	9.3% (in 2016) <sup>b</sup>
Ownership	Public and private	Public and private
Percentage of total employment	3.9% (in 2010) <sup>c</sup>	6% (in 2016) <sup>d</sup>
Percentage males in the sector	70.2% (in 2010) <sup>c</sup>	–
Percentage females in the sector	29.8% (in 2010) <sup>c</sup>	–
Salary for men	SEK 146.6/hour (in 2008) <sup>e</sup>	INR 22,591.4/month (in 2012) <sup>f</sup>
Salary for women	SEK 140.2/hour (in 2008) <sup>e</sup>	INR 23,424.6/month (in 2012) <sup>f</sup>

<sup>a</sup>Data obtained from OECD (2011)

<sup>b</sup>Data obtained from European Commission (2011)

<sup>c</sup>Data obtained from ILOSTAT (2010)

<sup>d</sup>Data obtained from NASSCOM (2016b)

<sup>e</sup>Data obtained from ILOSTAT (2015a)

<sup>f</sup>Data obtained from ILOSTAT (2015b)

concentrated in several cities such as Bengaluru, which is considered the equivalent of Silicon Valley in India, Hyderabad, Pune, Chennai and Delhi, all of which have several IT parks and IT special economic zones. Many multinational and Indian firms, such as Infosys, Symantec, Accenture, Cap Gemini, Tata Consultancy Services, Dell and Deloitte, have major operations in these cities.

In spite of being such an important entity in the Indian economy, the IT sector is still primarily an urban phenomenon, accounting for only 6% of total employment in 2016 (NASSCOM 2016b). Concurrently, data suggest that the IT sector in India is one of the largest employers of women in the country (more than 34% of its workforce is female). Table 7.1 presents the data described and discussed in the following section. Data from the ILO (2015b) show that on average, women earned more in a month (INR 23,424.6) compared to men (INR 22,591.4) in the IT industry. The industry still faces challenges such as the lack of a robust infrastructural backbone throughout the country and paucity of skilled workers; however, investment continues to increase.

The IT sector in Sweden became prominent during the economic restructuring that followed the oil crisis in the 1970s. It was during the early 1990s, however, that systematic public investment in the sector increased. In 2000, the Swedish government passed a bill called ‘An Information Society for All’, which introduced policy changes and goals and prioritized the ICT sector, earmarking an estimated SEK 5800 million for the development of regional and national broadband networks and infrastructure, especially in remote and rural areas. According to data from the OECD (2011), the ICT sector contributed 3.9% of employment in Sweden and generated USD 12,438 million in 2012. The ICT sector contributed 6.8% of Sweden’s GDP in 2013 as per OECD data. The country boasts one of the highest rates of internet access in the world—an estimated 91.7% of all households and around 94% of all children at their schools have internet access. According to ILO data (ILOSTAT 2015b), the proportion of employment in the IT sector decreased

slightly from 4.3 to 4.1% between 2012 and 2014. In the formal business sector, ICT-related employment accounted for 8.67% of the total employment.

Further data from the OECD countries indicate that Sweden had the highest proportion (5.43%) of technology specialists and users in 2010 (OECD 2011). In 2009, Sweden was also among the top 10 countries that had the highest proportion of ICT-related patents filed internationally (1.96%) (ibid.). It is thus not surprising that Sweden is considered one of the world's most active and conducive regions as far technology-related start-ups are concerned. Stockholm is the base for many business incubators that work with new technology start-ups. Recent successes include, but are not limited to, the communication giant Skype, the music streaming service Spotify, the caller ID/phone directory service Truecaller, and the gaming company King, which developed the famous mobile game Candy Crush Saga. The importance of the Swedish IT sector may be gauged from a report of the Swedish Agency for Growth Analysis, which estimated that 42% of the growth in economic productivity between 2006 and 2013 came from the IT sector (Growth Analysis 2014). In spite of slowing down slightly in the last few years, the Swedish IT market is projected to grow at a compound annual growth rate of 4.1% from 2014 to 2019, according to BMI Research (Sweden Information Technology Report 2014).

The major part of Sweden's IT sector comprises software development and related business and telecommunications, both of which combined account for more than 60% of the output in the sector. More than a quarter of all occupations (26.43%) were estimated to be ICT-intensive in nature in 2010. According to data from the ILO (ILOSTAT 2010a), the ICT sector contributed a total of 3.9% employment in Sweden, of which 70.2 and 29.8% comprised male and female employment respectively. While IT may be perceived as being a male-dominated sector, it nevertheless has a generally larger female presence compared to other industries. Hourly wages were found to be SEK 146.6 for men and SEK 140.2 for women (ILO data), which indicates a relatively small gender gap. A 2001 report on the ICT sector in Nordic countries shows that even in 1999, 33% of employees in ICT manufacturing and 30% in ICT services were women. Similarly, 19% of employees in ICT-related manufacturing and 22% in services, i.e. roughly a fifth, had completed education at the university level, and around 45% in both areas had at least completed their upper secondary education (Ministry of Higher Education and Science 2001).

## **7.2 Profile of Organizations According to Their Socio-demographic Characteristics**

### ***7.2.1 The Indian IT Organizations***

A total of 10 Indian IT organizations participated in the research for this study. Of these, the authors were finally able to interview the HR managers of eight



organizations. All these organizations were global players with a multinational presence. The spread of these organizations varied from 7 to 43 countries. In the IT sector, the average number of employees was 39,540 in the 10 companies in the sample. The average proportion of women in the organizations was 32%, with a span from 20 to 60%. The average proportion of temporary (contract-based) employees was 16.9%; three of the eight companies had no temporary employees in their workforce. The average proportion of staff who had been hired from staffing agencies was 6.5%; only two of the eight organizations reported that they had recruited staff from staffing agencies. In the sample organizations studied in this sector, the approximate proportion of employees with academic degrees was 79%. This was reflected in the very high proportion of employees with academic degree in all eight organizations. Each of these organizations had standard pay scales for most of their staff, and male and female managers were equally paid or rewarded.

About 14% of the managers had been recruited in the previous 3 years, and 2.9% had quit voluntarily in the same period. Further, 87.5% of the organizations reported that they did not have managers at the lowest level (first-line managers), or daily administrative support (in the form of secretaries/assistants). The average proportion of managers who were women ranged from 16 to 61.1%. Two of the eight organizations did not report having female managers in the organization. The IT sector reported a ratio of 75 male CEOs to 25 female CEOs in the workplaces/organizations surveyed.

The average proportion of women in the management teams was 19–59%, but three of the eight organizations surveyed did not report having women in the management team. Finally, 87.5% of the organizations reported that they held regular workplace meetings for the purpose of disseminating the organization's values and policies.

### ***7.2.2 The Swedish IT Organizations***

A total of five Swedish IT organizations participated in the research for this study. All the IT organizations were on the global market. Two of the companies were MNCs which had locations in at least 25 countries. One organization had partners in 20 countries, and the remaining two belonged to larger international concerns with headquarters in European countries.

The organizations that represent the IT sector in this study are rather small in comparison with the manufacturing, healthcare and university organizations studied. The average number of employees in the IT organizations was 713, ranging from around 50–2700 employees. The average proportion of women in the IT organizations was 32.2%, with a span from 16 to 65%. Only one organization had more than 30% women employees.

The proportion of part-time workers was 2.5% on average, with a span from 0 to 10%. In comparison with the other three sectors, the IT organizations had the lowest proportion of part-time workers. Three organizations did not have any part-time

workers. The number of temporary employees was lower in comparison with the manufacturing, healthcare and university organizations. On average, only 1.8% of employees in the IT sector were temporarily employed. Also, the number of employees hired from staffing agencies was lower than in the manufacturing sector, but not as low as in healthcare and university organizations. The mean value of employees hired from staffing agencies in the IT organizations was 4.2%. Two companies did not have any staff agency employees at all. In the organization with the most employees recruited from staffing agencies, they formed 12% of the workforce.

On average, 31.8% of managers in the IT sector firms were women (with a span from 10–67%), which is somewhat high in comparison to the manufacturing sector. The average proportion of women in the highest management team was 25.5%, which is about the same proportion as in the manufacturing organizations. Three out of five companies reported that women managers did not have the same salaries as male managers. As in the manufacturing sector, one explanation offered for the different salaries was that it depends on where in the organization women work. In one organization, the HR manager reported that women managers got 91% of the salary that men received. In two companies, men and women managers had the same level of salary. Four out of five IT companies said that they used a combination of collective bargaining and individualized salaries. One organization had only an individual pay scale for its staff.

In comparison with the manufacturing sector firms, IT firms had a higher proportion of employees with academic degrees, but not as many as in healthcare and university organizations. In the IT organizations, the mean value of academicians was 58.6%. Only 14% of the staff of one IT organization had academic degrees. In the other four organizations, 50–99% of the employees had an academic degree.

The turnover rate in the IT sector was higher than in the manufacturing and healthcare sectors. In IT, the average percentage of managers recruited in the previous 3 years was 34 (spanning from 10 to 67%), and the percentage of managers who had voluntarily quit during the same period was 21.2—the highest in comparison with organizations surveyed in the manufacturing, healthcare, and university sectors.

None of the studied IT companies had administrative support for managers. In one organization, the topmost manager was a woman. In the other four companies, the topmost managers were men. Women were most represented in administration, for instance, in HRM, finance and customer service, but also in internal sales and marketing. Women were also project managers, managers and consultants, even though men more commonly occupied these positions. Men worked largely in system development and programming. They were well represented in IT units. In these IT organizations, salespersons could be either men or women.

The IT organizations used intranet for communication of their values internally. But like the manufacturing companies, other channels were also used, e.g. television screens and wall posters. The IT companies also reported the use of social media (e.g. LinkedIn, Facebook, Twitter, and blogs) for communication, both internally and externally. For instance, when they needed to communicate new

policies, they made a communication plan and usually used both the intranet and e-mail to spread the word about the policies. Meetings were also emphasized, e.g. company meetings, regular staff meetings and work unit meetings. Individual meetings were also used for communication, for example, when managers coached employees, or during staff evaluations to assess whether an employee had lived up to the values of the company culture. Finally, values were emphasized during the recruitment process.

### **7.3 Conceptualizing CSR and EO**

In order to understand how managers from the two countries conceptualize CSR and EO, five managers from IT organizations in each country were interviewed. The managers were asked what they understood by the concepts of CSR and EO. They were further asked what these concepts meant in their organization/workplace. They were also asked to elaborate on the characteristics of organizations that practised, and did not practise, CSR and EO.

#### **7.3.1 CSR**

Indian IT managers, when asked what they thought about CSR, said CSR meant giving back to society. As society contributes to building their careers and personalities, they felt ethically compelled to help the society grow. The managers also said that CSR meant being ethical and adopting good citizenship behaviour. While one manager believed that by paying regular taxes, employees could help the society, and another manager felt that CSR concerned the integrity of employees in an organization. However, Indian IT managers saw CSR as a tough call for HR managers. One Indian IT manager said 'For me, it is all about the integrity of an individual. The way we work, we try to provide some value to the society. We have small-scale social responsibility by helping large sections of students in their academic career'.

In general, like managers in the manufacturing sector, managers in the Swedish IT sector also thought of CSR in terms of taking care of the environment. Some managers mentioned the organization's environmental policy, and that they were aiming for an environmental diploma. For IT managers, the impact of environmental CSR included, e.g. employees' choice of company cars by offering environment-friendly cars that polluted less. It was also about using ecological products as part of their CSR efforts. Thus, one of the managers saw educating their staff about environmental issues as an important part of CSR, which included addressing the complexity of these questions and not merely engaging in easy options like separating waste.

All the managers also thought of CSR in terms of global responsibility, e.g. engaging in helping poor children in South America or Asia. Employees could be sent as volunteers to a vulnerable area for a period, either to work with schools or in healthcare organizations there. In these situations, the employees were paid their full salary by the organization. Another alternative was to send money to organizations in vulnerable areas to help children with health problems. One manager explained that beyond their environmental and global responsibility, they also had a local responsibility, which might concern, e.g. sending money to a Swedish local organization working for handicapped adolescents.

Two managers also referred to the internal aspects of CSR, emphasizing the importance of employees' job satisfaction and health, and the need for the organization to offer education for employees as well as opportunities for social activities and insurance.

As the IT sector has a skewed gender distribution, two managers considered it important for the organization to promote diversity. They wished to promote gender equality by visiting schools and attracting female students and students from multicultural backgrounds. They also felt it was necessary to make changes in the organization, by employing people who did not speak and read the language as they did. According to one of the Swedish managers, CSR meant that 'we fulfil our practical obligations with paying taxes etc. That we think about the environment .... That we have people who feel job satisfaction ... and function well in the society and can contribute in different ways'. The same manager also explained that CSR was not only for doing good. It could also be a marketing strategy for the company as they wanted to be recognized as a firm that took CSR seriously. The manager felt that the organization believed that CSR 'sounds good in the ears of the customers'.

Indian managers said that their organizations were carrying out CSR activity by helping students in the local community through creating awareness about market demands in terms of employment and study opportunities in IT, and also by trying to educate people about the need for an IT education. One organization had created a website for underprivileged youth, and its managers were emotionally connected to the cause. Another said that his organization was linked to an NGO working for underprivileged youth. This organization encouraged its employees to teach for free for at least two hours each week. Indian managers said that CSR meant doing the right things, keeping their employees happy, and being conscientious at work. One respondent said that they used authentic software, discouraged their employees from using pirated software and saw to it that they did their business honestly as part of their CSR effort.

Managers from the IT sector in both India and Sweden thus talked about being conscientious and ethical, paying taxes, and being good citizens as part of their CSR efforts. Educating underprivileged children and creating awareness about IT education in the larger society were also regarded as CSR activity.

Responding to the question of what characterizes CSR in the IT sector, Indian managers said that creating a good work environment for employees and choosing

extension activities according to the core area of the organization, connecting them with the societal issues about which employees were passionate, constituted CSR for their organizations. However, one manager said that the organization should not ask its employees to devote time to these activities on holidays. Rather, CSR efforts should be built into employees' working hours. Mostly, organizations do not want to compromise on productive hours, and so CSR becomes a burden on the employees' personal time. Thus, CSR should not be at the cost of employees' well-being but should be built into the business process.

Responding to the question of what characterizes an organization that engages in CSR, Swedish managers suggested that these organizations are proud of their engagement in CSR activities. They do not only feed their shareholders, but use some of the profit, e.g. to support organizations working to creating a better planet, take responsibility for the environment themselves, employ people who are unemployed and who have been excluded from the labour market, or engage in gender equality issues. Such organizations were believed to have CSR integrated into their organizational processes. An organization characterized by lack of CSR was one that 'does nothing for the society, but [only] optimizes to earn money'.

### 7.3.2 *EO*

According to managers in the IT sector in India, EO meant that there should be 'no gender bias', and that 'it should be equal'. Recruitment should be based on qualifications and not on the basis of gender. It is also important that the organization believes in EO. The managers stated that their organizations offered EO, and that men and women were 'treated equally', since they had, for instance, similar salaries, allowances, leave and facilities.

According to one manager, EO in his organization meant that no distinctions were made between men and women; on the other hand, employees might be distinguished by the kind of work that they did. However, this differentiation might be based on the belief that gender is important to what kind of work men and women do. In the IT sector, there is a belief that men and women are good at different things, and therefore more or less capable in certain areas:

We believe that males are less capable where there is a need of creativity than females for creating colour combinations, designing stuff for creating websites. At the same time, if there's a male who is good at it, we always appreciate it. While at coding, females cannot sit for a long period of time and do the coding while males can do [this]. It's because of physical strength. I am not concluding that males are stronger than females.

One manager who perceived the workplace as equal also said that the organization had a division of labour based on gender because of the travelling that was required in, e.g. the HR and finance departments. One explanation for why women do not have positions where travelling is involved is cultural. For instance, another manager described an instance when a woman employee could not go on an

international business trip because her family did not allow her to go. It became a liability for the head of the department to send women abroad and then be held responsible ‘if something goes wrong’.

The organizational culture can also be a hindrance for EO. One manager held women themselves responsible for the existing organizational culture and the impact it might have, e.g. on recruitment:

Every company has a different kind of culture. So, it depends on the kind of company you are working for.... So, there is big bias among men and women, that bias is created by women themselves.... Again you have make sure, if you’re getting married or something, you are continuing with the company. But there is not clear communication coming from them. We hire them, invest in them, grow her and all of a sudden, after eight months, she comes and says she wants to leave the company. So, what can companies do in such cases. That’s the mindset one is bringing to the organization. Such an organization will think twice before recruiting any female for their firm. So, there is a big gap in understanding the Indian mindset of work and the foreign mindset of work.

The Swedish managers reported that EO was about balance, that men and women could do the same job and have the same position or role, that everybody should have the same opportunity and gender should have no impact, and that competence was of importance when recruiting and not the person’s gender. They also said that EO meant that women were not discriminated against, even though they might need to take more parental leave than men, and that men and women had equal salaries.

A manager explained that his organization did not make a distinction based on gender when finding project managers. However, he added that customers of the organization sometimes expressed a preference for women consultants. In these situations, they tried to meet the customer’s wishes, but at the same time they informed the customer if they felt another person was better suited to the requirements of the particular task.

Other aspects of EO that were cited included the idea that there should not be any glass ceilings, and that women should have the same opportunities as men to get positions on the management team. One manager questioned the lack of women in management teams and observed that an organization was not trustworthy as long as it had no women in these positions. On the other hand, she did not see how that kind of position could be combined with being the mother of small children:

The famous glass ceilings should not be there. And I can wonder why there are only dandruff infested gray haired men in the concern’s management team.... For me it is hard to understand and hard to accept. I do not think the organization is trustworthy because of that. This is also true for the Swedish management team. Why the hell do they not give positions to women? There are very many very good women in our organization. It is not that they are nonexistent. But, because of some reason, they are not in management positions in the management team. I think that is very provocative. But I do not know if I would have wanted to be there myself. Not now. Not while having small children. But there are women who want to be there.

Indian managers said that in an organization characterized by EO, ‘there should not be differentiation at all.... All tasks should be managed equally by all

employees, without thinking about the gender'. Other characteristics of EO that managers identified included the importance of growth opportunities within the organization and the need for equal distribution of organizational benefits. One manager explained that unequal opportunities for men and women in the organization were based on societal values:

To be very honest, there are equal opportunities available for men and women both, but again it depends on society. For example, in call centres, usually women don't prefer to work as they run during night time, but at the same time, you see in cities like Mumbai, New Delhi, women are working during night time. So, I believe, it is just mentality of people.

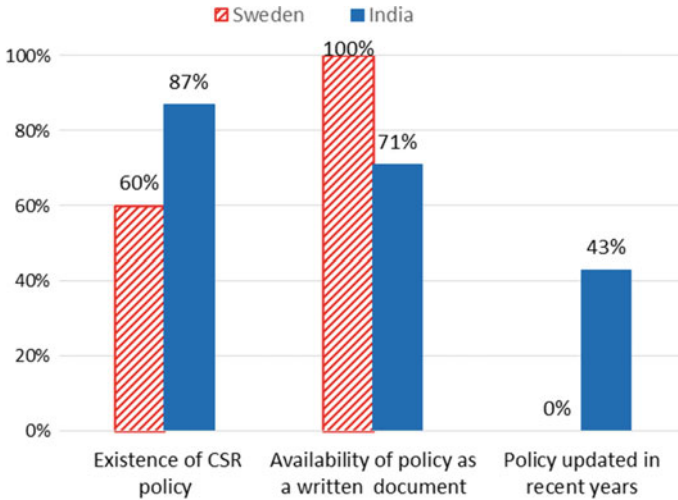
The IT managers in Sweden emphasized that an organization characterized by EO was one that did not accord relevance to a job applicant's gender in the recruitment process, and that had women in higher management positions. The managers felt that a numerical balance in higher management increased the possibility of a better balance in the rest of the organization. But, according to one manager, it depended on the attitudes towards the promotion of women. An organization with EO does not reflect a pay gap because of gender.

When managers in India were asked what characterized an organization without EO, they responded that it would be a work environment where 'it is difficult to work comfortably for employees'. Such an organization does not hire enough women, or the women do not get a proper chance, which means that the organization does not respect women. Another characteristic of such an organization is the high turnover of women.

In Sweden, managers explained that they viewed an organization without EO as being an old-fashioned workplace that was either male- or female-dominated. These organizations tend not to encourage women to climb the career ladder. Here, men are managers and leaders while women experience a glass ceiling and are excluded from leadership positions. In this kind of organization, the employee's knowledge is not in focus, while the employee's gender has an important role. One manager explained that there might be physical obstacles for women as the company may not have invested in facilities that allow employees to work regardless of gender. Another manager reflected on the possibility that in an organization where the highest manager is a man, it might be easier for him to talk to the management team if it also consisted of men—maybe because male and female colleagues usually have a more distant relationship than the relationships between male colleagues.

## 7.4 CSR and EO Policies in Practice

Figure 7.1 represents to what extent CSR policy was formalized in the different organizations of the IT sector in Sweden and India. Formalization is conceptualized as a company's having a CSR policy in written form, and the policy having been updated in recent years. The figure shows that compared to firms in Sweden, more



**Fig. 7.1** Formalization of CSR in IT sector organizations (Prepared by the authors)

Indian organizations had a CSR policy. However, 20% of the organizations in Sweden reported that they ‘sort of’ had a policy, which means, e.g. that only some aspects of CSR were formalized in a policy. Among all Swedish organizations that had a policy, this was available in written form, whereas fewer Indian organizations had a written policy, even though 14% of the Indian organizations reported that their CSR policy was documented in writing to a certain degree. Forty-three percent of Indian organizations said that their policy had been updated in recent years (and 29% had sort of updated the policy), whereas none of the Swedish organizations reported having updated their CSR policy in recent years.

Figure 7.2 depicts responses to the second component related to CSR, namely, the implementation of CSR policy in the IT sector in both countries. Implementation includes awareness on the part of managers about the policy, their access to the policy, and whether the policy had been discussed or used during the previous year, besides being updated. The figure shows that in 100% of the Indian organizations, managers were aware of the policy, and nearly 86% had access to the policy. On the other hand, only half of the Swedish organizations covered in the study reported that their managers were aware of the policy, though 25% reported that their managers were aware to a certain degree. In all Swedish organizations, managers had access to the policy. However, fewer Indian IT organizations compared to Swedish ones reported that the policy had been discussed or used during recent years, besides being updated.

The third component relating to CSR involves communication of the policy within IT organizations (see Fig. 7.3). All Swedish IT organizations surveyed said that the policy was communicated externally, whereas only a third of the Indian IT organizations responded in the affirmative to this question (14% reported that they communicated the policy externally to a certain degree). Nearly, one-third of



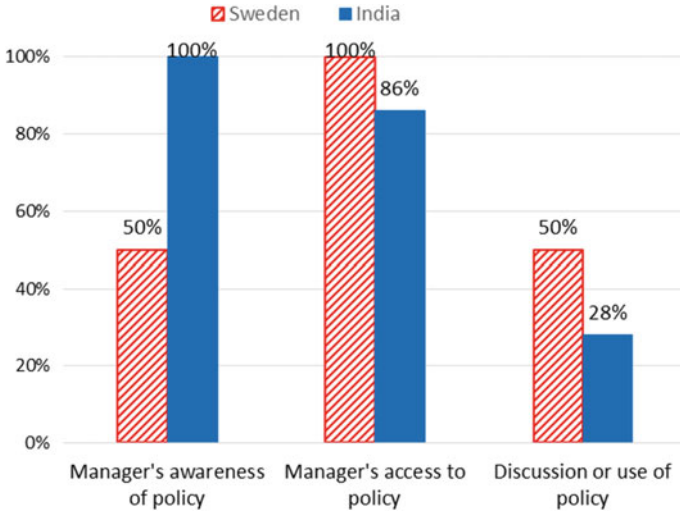


Fig. 7.2 Implementation of CSR in IT sector organizations (Prepared by the authors)

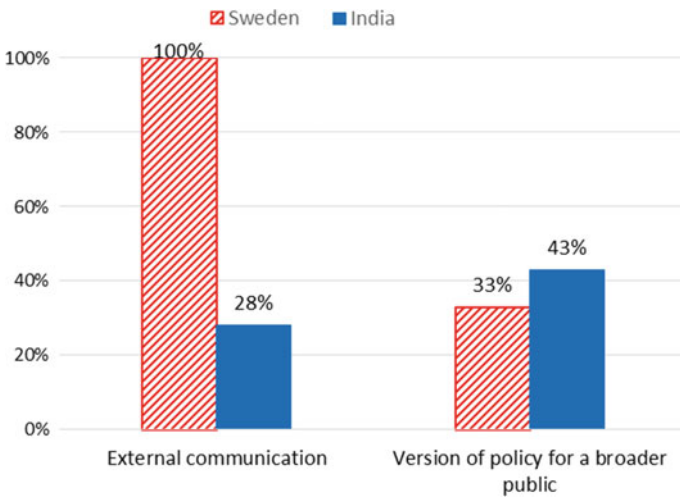
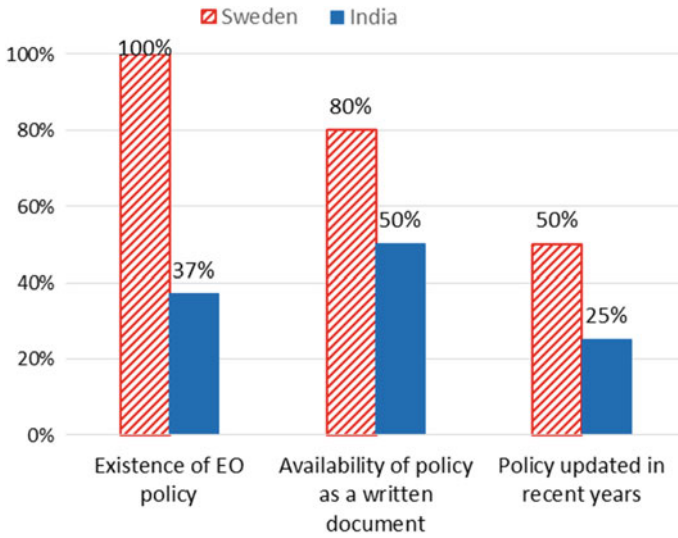


Fig. 7.3 Communication of CSR in IT sector organizations (Prepared by the authors)

Swedish IT organizations, and 43% of Indian organizations, said that a version of the policy accessible to a broader public was communicated in writing (14% of the Indian organizations sort of had a version of the policy accessible to a broader public).

Figure 7.4 represents the formalization of EO in IT sector organizations in the two countries. This component includes questions regarding the existence of an EO



**Fig. 7.4** Formalization of EO in IT sector organizations (Prepared by the authors)

policy as a written document, and whether the policy had been updated in recent years. The graph shows that 100% of Swedish IT organizations had a policy on EO, and that 80% of them had formalized their policy in the form of a written document. Around one-third of the Indian IT organizations had an EO policy (of the remaining organizations, 12% reported ‘sort of’ having a policy). Half of the organizations had the policy in the form of a written document. Half of the Swedish organizations and one-fourth of the Indian organizations reported that their policy had been updated in recent years.

The second component relating to EO concerns the implementation of EO policies in the IT sectors of the two countries. This component consisted of questions about the awareness of managers regarding the policy, their access to the policy and whether the policy had been discussed or used during the previous year, besides being updated. Figure 7.5 shows that 80% of Swedish organizations reported that their managers were aware of the policy, and that 80% of managers had access to the policy. Whereas in India, 100% of the organizations reported that their managers were aware of the policy but only 50% had access to the policy. Very few of the Swedish organizations and none of the Indian organizations reported that the policy had been discussed or used during the previous year.

The third component relates to the communication of the EO policy within the IT sector. This component consists of questions about whether the policy was communicated externally, and whether there was a version of the policy to a broader audience. Figure 7.6 shows that only one-fifth of the Swedish IT organizations reported that their EO policy was communicated externally, and the same number of Swedish organizations reported that there was a version of the policy available in writing to a broader public. The Indian organizations reported that

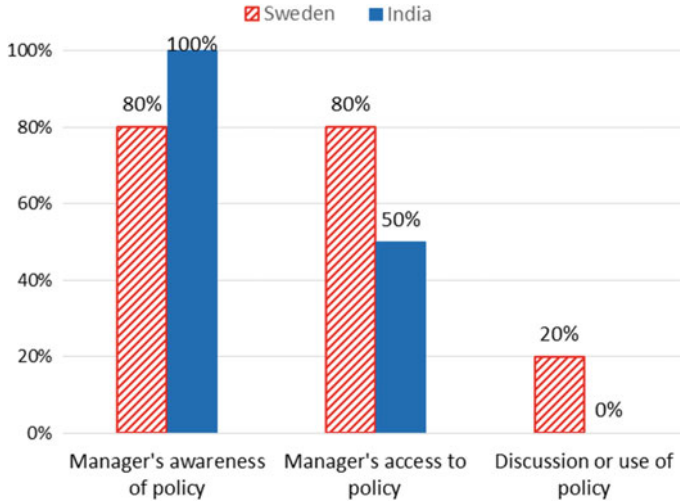


Fig. 7.5 Implementation of EO in IT sector organizations (Prepared by the authors)

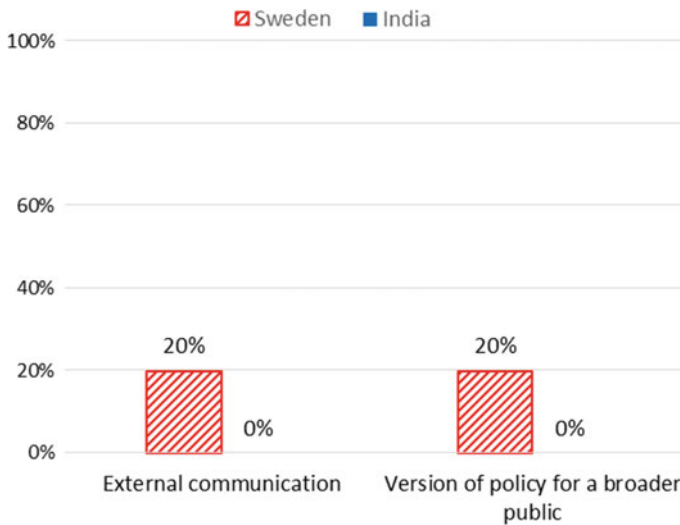
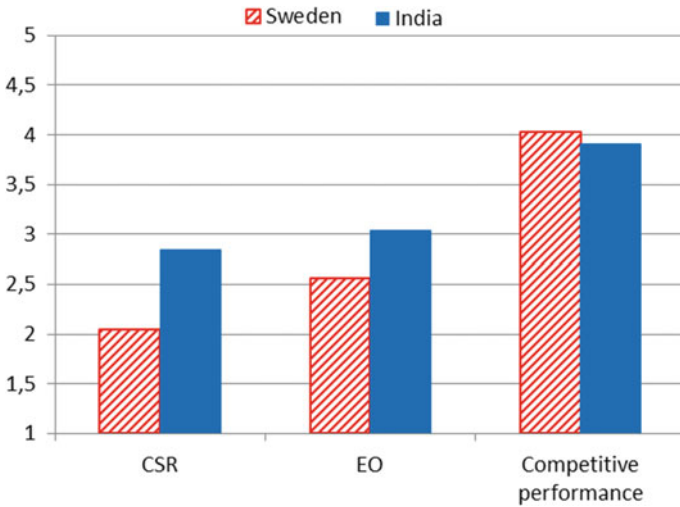


Fig. 7.6 Communication of EO in IT sector organizations (Prepared by the authors)

neither was the policy communicated externally, nor was There a version of the policy available to a broader public. However, 25% of the Indian organizations communicated the policy to a certain extent and had a popular version of the policy in written form.

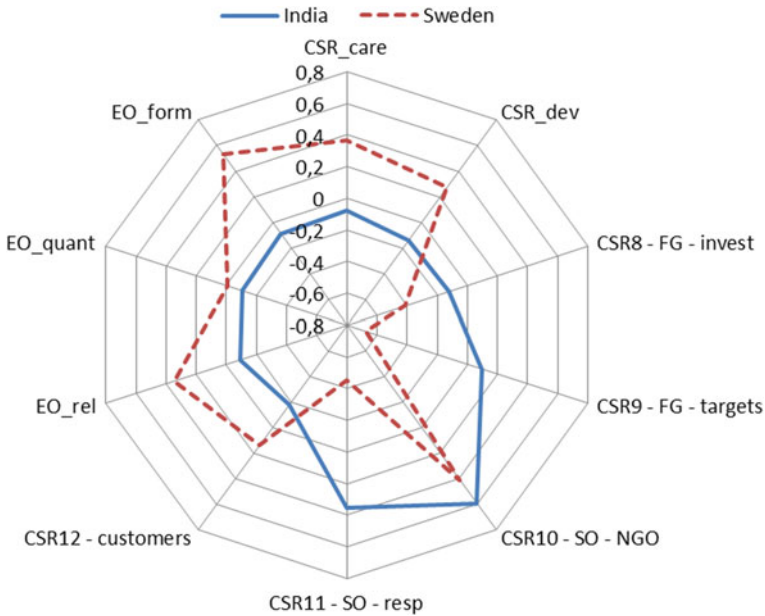


**Fig. 7.7** Managers' ratings of how often CSR, EO and competitive performance were discussed in management meetings (Prepared by the authors). *Note* Managers ratings in IT sector: 1 Never; 5 Very often

Figure 7.7 shows the managers' ratings of how often different issues were discussed at management meetings. Managers rated the frequency of discussions concerning CSR, EO and competitive performance. Managers in both India and Sweden reported that competitive performance was discussed most frequently, followed by EO and CSR. There was no significant difference between Indian and Swedish managers concerning how often they discussed competitive performance. However, Indian managers reported more frequent discussions concerning EO (43% very often or often) than Swedish managers (18% very often or often). The Indian managers also reported more frequent discussions concerning CSR (27% very often or often) than Swedish managers (3% very often or often).

## 7.5 Differences Between the Countries in Perceptions of CSR and EO

Indian and Swedish managers rated the different aspects of CSR and EO in their organizations. Here, CSR was represented by the two dimensions of internal CSR, which includes the organization's responsibilities towards its own employees (caring for employees and emphasis on employees' development), and five single items representing different aspects of external CSR targeting future generations, the surrounding society and customers (see Chap. 5 for the precise wording of these



**Fig. 7.8** Managers' ratings of aspects of CSR and EO in the IT sector in India and Sweden (Prepared by the authors). Note *CSR\_care* Caring for employees; *CSR\_dev* Supporting employees' development; *CSR8-FG-invest* Responsibilities for future generations, makes investments; *CSR9-FG-targets* Responsibilities for future generations, targets sustainable growth; *CSR10-SO-NGO* Responsibilities towards the society, supports NGOs; *CSR11-SO-resp* Emphasizes the importance of its responsibilities towards society; *CSR12-customers* Responsibilities for customers' rights; *EO\_rel* EO in informal relations; *EO\_quant* Equal quantitative representation in vertical division of labour; *EO\_form* EO in formal procedures and relations of power

items). Equal opportunity was represented by three dimensions: informal relations, quantitative vertical division of labour, and formal procedures and relations of power.

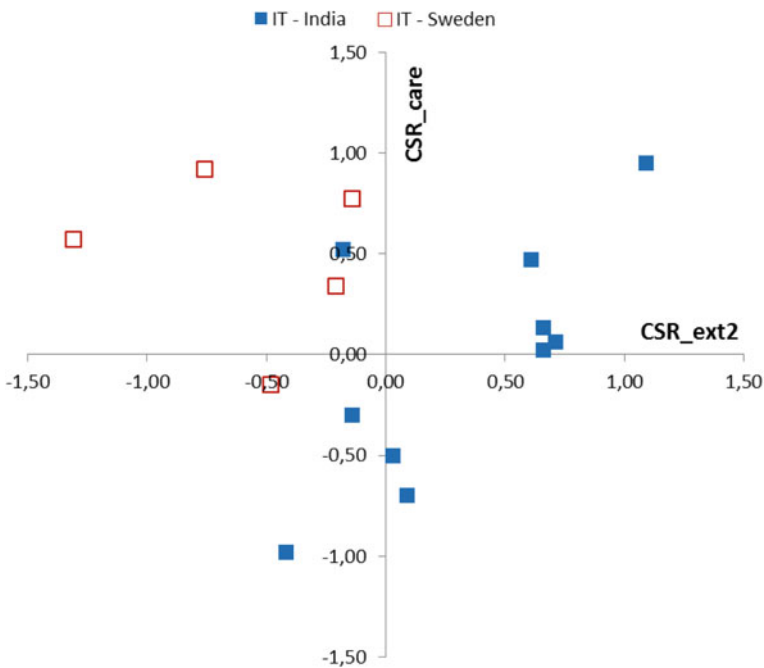
As shown in Fig. 7.8, Swedish managers rated their organizations higher than Indian managers on both aspects of internal CSR: caring for employees and employee development. However, concerning external CSR, Indian managers rated their organizations higher than Swedish managers on two of five indicators: CSR9 (the organization targets sustainable growth) and CSR11 (the organization emphasizes the importance of its responsibilities for the welfare of the society). No differences were found on CSR8 (the organization invests to create a better life for future generations) and CSR10 (the organization supports NGOs).

The Swedish managers rated their organizations higher than Indian managers on CSR12 (the organization respects customers' rights beyond the legal requirements). Swedish managers rated their EO policies higher than Indian managers on two

aspects: EO-informal relations and EO-formal procedures and relations of power. No difference was found in EO\_quant (equal quantitative representation in vertical division of labour).

### 7.6 Profiles of Sample Organizations with Regard to CSR and EO

As shown in the previous section, Indian managers on average gave significantly higher ratings for some aspects of external CSR. Even though there was some spread among the Indian organizations, most of these organizations scored higher than any Swedish organization, as shown in Fig. 7.9. Six of 10 Indian organizations scored above average on CSR internal, while 4 of 10 (40%) scored below average. Most Swedish organizations (four of five, or 80%) scored above average on CSR internal, while one of five (20%) scored below average. A different pattern seems to emerge in the ratings of internal CSR, as Swedish managers on average gave significantly higher ratings for internal CSR. Still, some Indian organizations had scores similar to those of the best Swedish organizations.

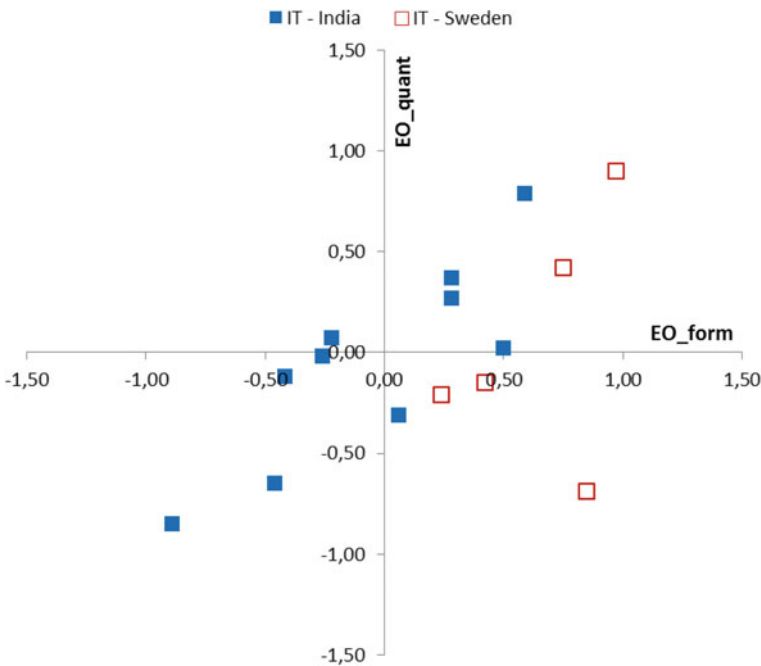


**Fig. 7.9** Ratings of CSR for 10 Indian and five Swedish IT companies (Prepared by the authors). *Note* The horizontal axis represents CSR with an external perspective (CSR\_ext2). The vertical axis represents CSR with an internal perspective, caring for employees (CSR\_care)

Among the Indian organizations, there was a clear association between external CSR and internal CSR. Companies scoring high on external CSR also scored high on internal CSR. This kind of association could not be seen among the Swedish companies.

As shown in the previous section, Swedish managers on average gave significantly higher ratings for formal aspects of EO. But there was variation among the Indian organizations; some Indian organizations had similar scores to the Swedish organizations, as shown in Fig. 7.10. Five of 10 (50%) Indian organizations scored above average on formal aspects of EO, while 5 of 10 (50%) scored below average. All five (100%) Swedish organizations scored above average on formal aspects of EO, while zero of five (0%) scored below average.

There was no significant difference in how Indian and Swedish managers rated quantitative aspects of EO. In both countries, there were organizations where this aspect was rated high as well as those that rated it low. Among the Indian organizations, there was a clear association between formal aspects of EO and quantitative aspects of EO. Companies scoring high on formal aspects of EO also scored high on quantitative aspects of EO (vertical division of labour). This kind of association was less pronounced among the Swedish companies.



**Fig. 7.10** Ratings of EO for 10 Indian and five Swedish IT companies (Prepared by the authors). *Note* The horizontal axis represents formal aspects of EO (EO\_form). The vertical axis represents EO with respect to equal representation in quantitative division of labour (EO\_quant)

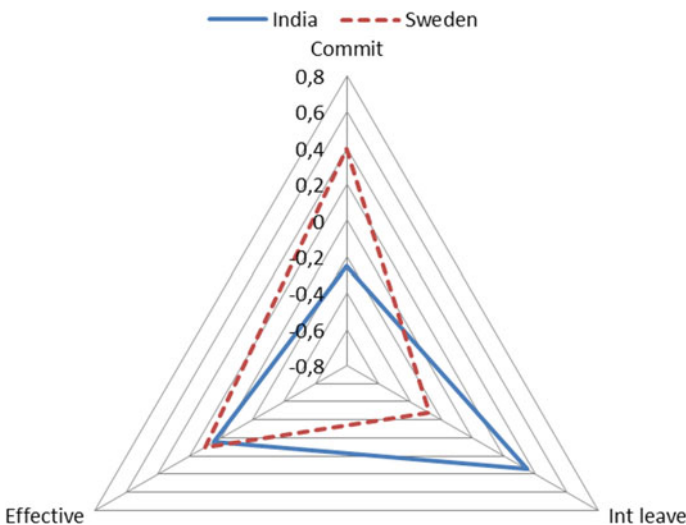
### 7.7 Differences Between the Countries in Terms of Attractiveness and Effectiveness

Indian and Swedish managers rated the attractiveness of their organizations as represented by two indicators: intention to leave the organization and managers' commitment to the organization. Figure 7.11 shows how the managers rated the effectiveness of their units. Swedish managers rated their organizational commitment higher than Indian managers (effect size = 0.65). Furthermore, Swedish managers rated their intention to leave lower than Indian managers (effect size = 0.62). Thus, both indices show that Swedish managers regarded their organizations as more attractive compared to Indian managers.

Concerning the rating of unit effectiveness, there was no difference between Swedish and Indian managers.

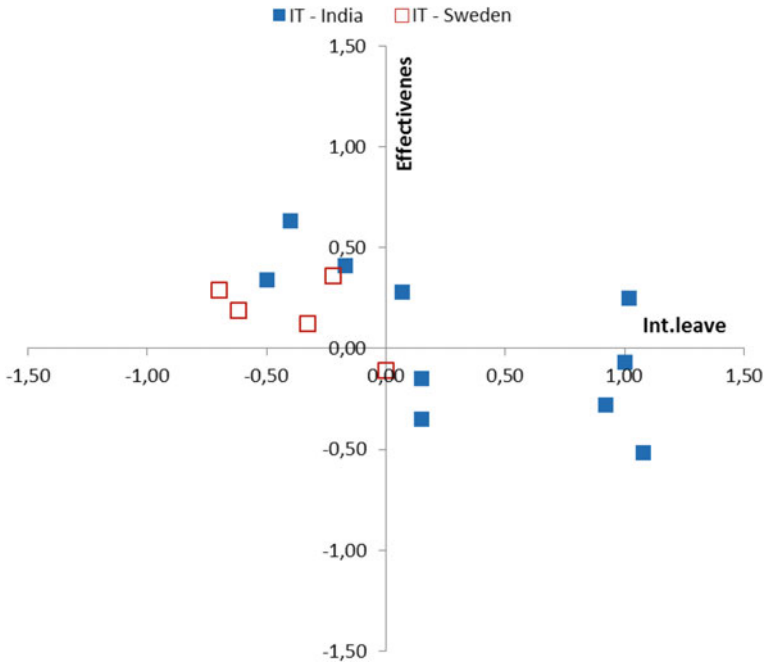
### 7.8 Attractiveness and Effectiveness Across Sample Organizations

Figure 7.12 shows how the IT companies scored on attractiveness as represented by managers' ratings of intention to leave the organization and their ratings of their units' effectiveness. As presented in the previous section, on average the Indian managers scored significantly higher in their rating of intention to leave. There was



**Fig. 7.11** Managers' ratings of aspects of attractiveness and effectiveness in the IT sector in India and Sweden (Prepared by the authors). Note *Commit* Organizational commitment; *Int leave* Intention to leave the organization; *Effective* Perceived effectiveness of the organizational unit





**Fig. 7.12** Ratings of attractiveness (Intention to leave) and effectiveness for 10 Indian and 5 Swedish IT companies (Prepared by the authors). *Note* The horizontal axis represents intention to leave (a high value represents a non-attractive organization). The vertical axis represents managers' ratings of effectiveness

considerable difference among the Indian organizations, while the Swedish organizations were more similar to each other, as shown in the figure. Seven of 10 Indian organizations scored above average on intention to leave, indicating low organizational attractiveness, while 3 of 10 scored below average. One of five Swedish organizations scored above average on intention to leave, while four scored below average.

Five of 10 Indian organizations scored above average on effectiveness, while the other 5 (50%) scored below average. Four of five Swedish organizations scored above average on effectiveness while one scored below average. Indian and Swedish managers did not differ in their average ratings, but the variation was greater for the Indian organizations.

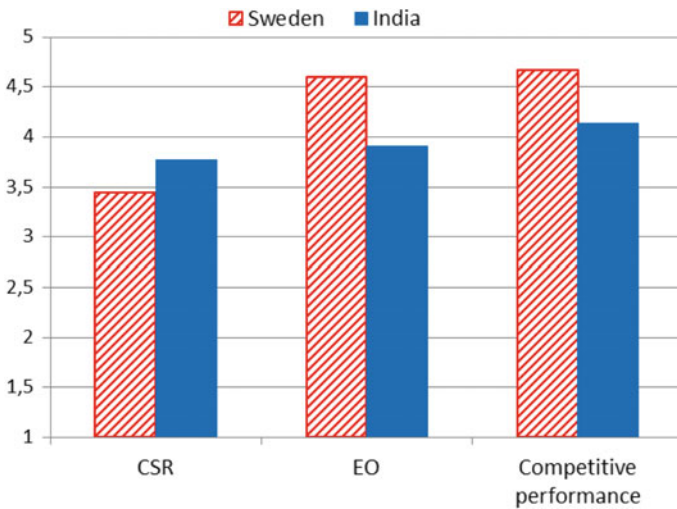
Among Indian as well as Swedish organizations, there was a moderate negative association between intention to leave and effectiveness. Companies scoring high on intention to leave scored low on effectiveness.

### 7.9 Importance of Values for Attractiveness

Managers rated the importance of CSR, EO and competitive performance, respectively, in describing their perception of the attractiveness of the organization. As shown in Fig. 7.13, Indian managers regarded competitive performance as the most important factor in the attractiveness of an organization, followed by EO and CSR. Swedish managers regarded competitive performance and EO as equally important for the attractiveness of an organization, followed by CSR. Swedish managers rated EO as more important than Indian managers. The opposite pattern was observed regarding CSR, as Indian managers rated this value as more important than Swedish managers.

### 7.10 Summary and Discussion

The socio-demographic characteristics of the participating organizations in the IT sector show that there are fewer women managers than male managers in the sector in both countries, even though the gender gap was less pronounced in Sweden than



**Fig. 7.13** Managers' ratings of the importance of CSR, EO and competitive performance for the attractiveness of the organization (Prepared by the authors). Managers ratings in IT sector: 1 Not important; 5 Very important

in India. Both countries reported almost a similar share of women top-level managers. In Indian IT companies, HR managers said that there was no discrepancy between the salaries of male and female managers, whereas in Sweden, four out of five companies reported unequal pay for male and female managers. Women are placed in greater numbers in administration, HR, customer service, internal sales and marketing, which is almost similar to the trend in India. Thus, although IT is considered to be a progressive and more gender-equal industry, differences were reported in terms of pay and the job positioning of women.

In the Swedish IT sector, the turnover rate was reported to be very high, compared to all other sectors in Sweden.

Managers in the Indian IT sector perceived CSR mostly in terms of good ethical and citizenship behaviour at the workplace. However, many respondents talked about giving back to society, gender equality and diversity management. The dominant theme pertaining to CSR was to ensure high integrity and ethical behaviour so as not to harm the society. However, managers also felt that they should not be asked to carry out CSR activity on their personal time; rather, this little extra effort should be accommodated within their working hours.

The managers in the Swedish IT sector thought of CSR in terms of taking care of the environment. They considered the impact the organization had, e.g. on employees' choice of company cars, the use of ecological products, educating staff about environmental issues and separating waste. They also acknowledged their global responsibility in helping poor children in places like South America or Asia. They further discussed the issue of local responsibility, e.g. an organization's sending money to a local Swedish organization working with handicapped adolescents. Internal aspects of CSR were also discussed, wherein an organization might offer education, social activities or insurances to its employees, or promote diversity and gender equality. Organizations that engaged in CSR were regarded as being characterized by pride in their CSR activities and by the integration of CSR in organizational processes.

In India, responding to questions about what EO meant to them, managers in the IT sector said that there should be no differentiation between men and women; they should be treated equally and there should be no gender bias. However, managers said that they could not treat their female colleagues the same way as they treated male colleagues because of their socialization and societal constraints. Thus, even though there is no discrimination, women are treated differently due to societal norms. On the other hand, managers from Sweden's IT sector said that everybody should have the same opportunities irrespective of their gender, if gender equality is to prevail. They also emphasized that men and women could do the same work, that they should have equal salaries and that women should not be discriminated against because of parental leave. Also, there should be no glass ceilings that hinder women from securing management positions. Organizations with few women on their management teams need to develop a better understanding of the organizational mechanisms underlying this phenomenon. The interviews indicate that the concept of EO still needs to be well operationalized in India, within the boundaries given by traditional culture, but also that organizations in Sweden have to make an effort to be trustworthy in offering EO as a value.

When HR managers were requested to share demographic information about their organizations, they offered information about CSR as a policy in the organization. In India, the IT sector organizations acknowledged the existence of CSR practices and activities. However, our interviewees (HR managers) were somewhat reticent about providing specifics. Some firms mentioned the lack of separate CSR departments/personnel, because of which execution of CSR lay with the HR department. However, this did not imply a lack of CSR undertakings, many of which dealt with education in schools, especially with regard to computer and technological skills, environmental activities and sponsoring NGOs in varied fields.

Findings regarding the practice and implementation of CSR and EO as values show that Indian companies had to a larger extent than Swedish IT organizations updated their CSR policy in recent years. Additionally, almost all Indian organizations reported that their managers were aware of the policy, whereas only half of the Swedish organizations said so. However, all of the Swedish organizations said that they communicated the policy externally, as against only a third of Indian organizations.

Our results regarding policies of EO show that all the Swedish organizations, but only about one-third of the Indian organizations, reported having a policy on EO. And we found that one-fourth of all Swedish IT organizations said that the policy was communicated externally while none of the IT organizations in India did so.

The findings suggest that Indian organizations seem to place somewhat greater emphasis on their policy of CSR by updating it more frequently and making their managers aware of it, while Swedish organizations focus somewhat more upon the policy of EO. However, more Swedish IT organizations were reported to communicate both policies externally, compared to IT organizations in India.

The three data sources seem to provide concordant and additive information that helps to understand organizational values and their impact on workplace attractiveness for managers in the IT sector in India and Sweden. In both countries, managers assess competitive performance as the most important value for attracting and retaining employees, more so in Sweden than in India. In Sweden, EO was almost as important, and much more important than for Indian managers. In India, on the other hand, CSR was valued higher than it was in Sweden.

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# Chapter 8

## The Education Sector

### 8.1 The Education Sector in India and Sweden

In classical antiquity, India was one of the most popular centres of learning and scholarship, especially with the spread of Buddhism and Jainism. This was the period when education began to be secularized, bringing subjects such as logic, philosophy, medicine and mathematics to the forefront. While scholars from the Vedic world have been credited with several innovations in mathematics, grammar and astronomy, it was only from the third century AD that urban centres of learning such as Pushpagiri, Nalanda and Taxila became prominent and began to attract students from the rest of Asia and the Middle East.

After the establishment of the Mughal Empire, Islamic educational models took over and a period of heavy cross-cultural exchange followed. Later, in 1835, Lord Macaulay introduced the British system of education in colonial India, and primary schools and universities began to be built. Today, education is both a public and a private enterprise. In 2014, there were 1,425,564 primary education institutions and 11,445 institutions of higher education (Government of India 2014a). While the government has traditionally maintained a large network of schools for primary education, private schooling—usually associated with the urban middle class—has also become more prominent in rural areas. Private schooling accounting for 30.8% of school enrolment in 2014, in contrast to 18.7% in 2006, an increase of 12.1% in less than a decade.

The country is often criticized for its lack of quality education at the primary level, which is characterized by high dropout rates (47.4% in 2014); only 64 female teachers per 100 male teachers in 2013; low student–teacher ratios with only 49.3% of schools in 2014 complying with norms; and poor access to the internet and other educational technologies (Government of India 2014a, b). According to the latest (2011) census, the literacy rate in India was 74%; the female literacy rate was 65.6%, whereas the male literacy rate was over 80%. The 2011 census shows that

while literacy rates increased from 64.8 to 73% in a decade, there is still a substantial difference between male and female literacy rates.

Higher education bodies are accredited by the University Grants Commission, and universities may be central, state-run, deemed or private. There are 760 universities, 38,498 colleges, and 12,276 stand-alone institutions listed on the web portal of the All India Survey of Higher Education. Of the universities, 256 are affiliating institutions, i.e. they have affiliated colleges. Further, 261 universities are privately managed; 293 are located in rural areas. There are 11 universities exclusively for women. Total enrolment in higher education has been estimated at 34.2 million, with 18.5 million male and 15.7 million female students. Women constitute 45.5% of the total enrolment. The gross enrolment ratio in higher education in India is 24.3% as calculated for the 18–23 age group. The United Nations Educational, Scientific and Cultural Organization describes gross enrolment ratio as the total enrolment within a country ‘in a specific level of education, regardless of age, expressed as a percentage of the population in the official age group corresponding to the level of education’ (UNESCO 2009). The GER for the male population is 25.3%, and for females it is 23.2%. The estimated total number of teachers is 1,473,255, of which more than half, about 61.4%, are male teachers and 38.6% are female teachers. At the all-India level, there are only 63 female teachers per 100 male teachers. The pupil–teacher ratio in universities and colleges is 1:21 (Government of India 2016). India has one of the largest youth populations in the world with over 550 million people below the age of 25, according to the 2011 census. Despite having graduated from colleges, these youth are generally considered as lacking in the skills necessary to be able to compete in the international job market. Some of the challenges that Indian higher education faces are a lack of faculty, lack of interfacing with industries, need for quality infrastructure, and bottlenecks in foreign investment in spite of 100% foreign direct investment being allowed.

According to the Indian government’s own estimates, educational spending was 4.1% of the GDP in 2013–14 (Government of India 2014b). As reported in Table 8.1, data from the ILO showed that the educational sector contributed 4.3% of total employment in the country in 2013. Furthermore, monthly wages were estimated to be INR 16,799.3 for men and INR 11,165.3 for women (ILOSTAT Database 2015b).

The beginnings of literacy in Sweden may perhaps be traced to the period during and after the Viking Age in the second century, when the Nordic tribes in Scandinavia had sea trade relations with the Roman Empire and Europe. The Runic alphabet has been found inscribed on various artefacts dating from this period. There seem to be no indications of institutionalized education, which was, in all probability, an affair of the household. It is only after the Christianization of the tribes in the ninth century and the rise of Catholicism and cathedral schools that formal education took hold. The university at Uppsala was eventually established in 1477, and was similar in syllabus and methodology to the rest of its European counterparts of the time. Further changes came along with the Protestant Reformation in the sixteenth century, during which some of the traditional liberal

**Table 8.1** Education sector

	Sweden	India
Contribution to GDP (%)	6.8 (in 2011) <sup>a</sup>	3.8 (in 2012) <sup>a</sup>
Ownership	Public and private	Public and private
Percentage of total employment	10.8 (in 2010) <sup>b</sup>	2.7 (in 2010) <sup>b</sup>
Percentage of males in the sector	27.2 (in 2010) <sup>b</sup>	58.8 (in 2010) <sup>b</sup>
Percentage of females in the sector	72.8 (in 2010) <sup>b</sup>	41.2 (in 2010) <sup>b</sup>
Salary for men	SEK 125/hour (in 2008) <sup>c</sup>	INR 16,799.3/month (in 2012) <sup>c</sup>
Salary for women	SEK 116.8/hour (in 2008) <sup>c</sup>	INR 11,165.3/month (in 2012) <sup>c</sup>

<sup>a</sup>Data obtained from World Bank (2012)

<sup>b</sup>Data obtained from ILOSTAT Database (2010a, b)

<sup>c</sup>Data obtained from ILOSTAT Database (2015a, b)

arts were brought into the curriculum besides theology. This trend amplified and, finally, in 1842, the first state-sponsored elementary schools called *folkskola* were built. Further educational reforms were carried out until the mid-twentieth century, including several educational experiments, arrangements for a seamless transition from elementary to secondary school, a matriculation test, etc. It is only after the 1950s that Sweden's education system as it is today was concretized.

Sweden's system of education is a product of its well-known welfare state model, and is thus primarily public in nature. Children who are 6 years old have the right to attend a preschool class which is offered by the municipalities. Even though the preschool class is voluntary, the majority of children in this age group attend. The autumn after the children reach the age of 7, they start the first year of compulsory school, which is most often run by the municipality. After completing 9 years of compulsory schooling, children are entitled to upper secondary school education for 3 years. Secondary school education comprises a total of 18 national upper secondary vocational programmes, or programmes which prepare students for higher education. Thereafter, pupils can apply to Swedish universities and university colleges, which offer study programmes and courses at three levels. The basic level consists of 3 years of study, and the advanced level consists of 1 or 2 years. Thereafter, students may pursue doctoral education (Skolverket, n.d.).

Some 7.3% of Sweden's GDP is devoted to spending on education, while the OECD average is 5.8% (OECD 2012). In Sweden, the annual income for teachers at the end of their careers is USD 38,696, compared with the OECD average of USD 45,100 (OECD 2012). Sweden funds its equitable education system by devoting a relatively high percentage of its GDP to education and by having one of the highest levels of expenditure per student in the world. This has been a trend for many years. This funding goes to both public and private educational institutions. All Swedish education is publicly funded. Data from the OECD from 2011 show that Sweden ranked fourth among countries that spent the most on students in tertiary education—almost USD 21,000—with a total of 344,100 students in 2014 (UKÄ 2015).



A well-known feature of Swedish higher education is the lack of tuition fees for students from the European Union. It is also one of the countries where women get an academic education to a larger degree than men do. For example, among men and women born in 1985, at the age of 21.4% of the women and 26% of the men had started higher academic education, and by the age of 29.6% of the women and 40% of the men had started higher academic education (UKÄ 2016).

Higher education is managed by the Ministry of Education and Research. There are at present 14 public sector universities and 17 public sector university colleges in Sweden. In 2014, public expenditure on higher education, which includes student aid and research, amounted to SEK 74.9 billion, or 1.9% of the country's GDP. In 2014, women comprised 44% of all academic appointments/positions in higher education as compared to 40% in 2004. However, their proportion is quite low in the professor category. Even though the numbers have doubled in the last decade, there are still only 1260 women professors as compared to 3810 male professors (UKÄ 2015). In 2010, according to ILO data, the education sector contributed 10.8% of total employment, out of which 27.2% were male and 72.8% were female employees (ILOSTAT Database 2010a). Average hourly earnings for both men and women in 2008 were SEK 125 and SEK 116.8 respectively (ILOSTAT 2015a).

The education sector in Sweden is the second largest employer of women (17% of all working women); as 73% of the employees in the educational sector in Sweden are women, the sector may be said to be female-dominated. In India, the educational sector is not one of the largest employers of women (4% of all working women). Given the gender composition of the sector (41% women), it may be considered a gender-mixed sector (ILOSTAT Database 2010a, b).

## **8.2 Profile of Organizations According to Their Socio-demographic Characteristics**

The education sector in both countries had the highest percentages of employees with higher academic degrees. The sample institutions from the education sector in India were mostly private, whereas most of the sample organizations in Sweden were government-run universities.

### ***8.2.1 The Indian Educational Organizations***

The Indian education sector sample selected for this study had the third largest average number of employees (720) among the four sectors studied. The organizations had an average of 50% women employees, with a range of 22–75%. Besides three dedicated medical colleges and one vocational university, the remaining six institutions in our sample were universities that offered both undergraduate and postgraduate programmes; only one institution was public, whereas the rest were

operated and managed privately by trusts. The sample showed a sizeable proportion of temporary employees (34%) in 9 of the 10 organizations, and had the highest proportion of part-time employees across sectors (16%), though they were present in only four of the organizations. Often, the faculty is hired on a contractual basis due to the limited availability of tenured positions. Furthermore, in seven institutions within the education sample, 17% of employees had been recruited through a staffing agency. Approximately 88% of all employees had an academic degree.

Each of the 10 educational institutions surveyed had standard pay scales for most of their staff, and male/female managers were equally paid or rewarded in all but one. About 21% of the managers had been recruited in the last three years and 16% had quit voluntarily within the same time frame. Half the organizations had administrative support for managers even at the lowest level, and not surprisingly they were either universities or larger colleges in comparison to other colleges in the sample. The education sector also had the second largest number of female CEOs/highest level managers (30%). These figures conform to the general visibility of women in higher education, at least in India. The mapping of the education sector showed that men and women were distributed somewhat equally across all the institutions studied across all disciplines, but interviewees in seven of the organizations said that there were slightly more women among the teaching staff and faculty, and more men in administration and higher decision-making roles. More than a third (37%) of the managers within the education sector sample were women, and close to half (45%) of the highest management teams consisted of women.

### ***8.2.2 The Swedish Education Organizations***

The Swedish sample of eight organizations consisted of whole university organizations as well as units within universities. The universities that were included in the study were public universities with two exceptions. The average number of employees in the studied university organizations was 1502, ranging from around 100–4000 employees. The average proportion of women in the organizations was 53.9%, with a range from 36 to 73%. The average proportion of employees who worked part-time was 12.9%, with a range of 9–20%. The proportion of temporarily employed (28.6%) was high in this sector in comparison with the manufacturing, IT, and healthcare samples. The university organization with the fewest temporarily employed staff had 12% temporary workers, and the organization with the highest proportion of temporarily employed workers had 50% of its employees working on a temporary basis. The university organizations did not have many employees who had been hired by staff agencies. Only two organizations employed some individuals who had been recruited from such agencies. The highest percentage of employees hired from staff agencies in any organization in the sample was 0.5.

The education sector had the highest percentage of staff possessing academic degrees among the sectors studied, the mean value being 87% (with a range of

80–96%). Among the universities, three organizations reported that male and female managers had equal pay, but four organizations reported not having equal pay for male and female managers. In one organization, it was not possible to make a comparison as the managers were all women, with the exception of the highest level manager in this organization, who was a man. The Swedish organizations had the highest proportion (36%) of managers recruited during the previous three years (spanning from 20 to 57%). This high proportion might be due to the fact that managers in universities usually hold their positions for a 3-year cycle. Managers in some university organizations had a certain extent of daily administrative support, although not full time. In three universities, the managers had no administrative support. The mean proportion of women in the university organizations was 48%; however, the number of women varied from 36 to 73% across organizations. The proportion of women managers in these organizations was also rather high (mean 46.8%), with a span of 22–100%, although this is not as high as in the healthcare organizations studied (see Chap. 9). Half of the sampled university organizations had a woman as top manager. Women were also on average highly represented (58.2%) in the highest management teams (with a span of 27–80%).

With regard to standardized pay scales, five of the university organizations surveyed reported that they had a mix of collective bargaining and individualized pay, while the others reported that they had only individualized salaries. The division of labour in the universities was quite evident when it came to support and administrative positions. Women worked in cleaning, library, economy, administration and student administration. Men worked as ushers, in photocopying, technical support, property, IT and as managers in administration. Some organizations reported that teaching positions included a mix of men and women, while others reported that women, for instance, held more junior teaching positions (since fewer female than male teachers held PhDs), or that more women were teachers in areas such as healthcare education. Men, on the other hand, held higher teaching positions, and taught medicine and technical subjects, among other areas.

Values and policies were communicated through the Internet, intranet, newsletters and e-mails. The organizations also used marketing and brochures for this purpose. Additionally, HR managers emphasized that steering strategies and vision documents were also used to communicate the values of the organization. In some organizations, seminars were held to discuss values/policies. Staff training and leadership programmes and the introduction of new employees were further avenues for implementing the organizations' values/policies. A variety of other fora were used to communicate these values and policies: in regular staff meetings, in salary discussions with the staff, and in the staff survey. The head of the university was active in the communication of values to employees in some of the studied universities. In one organization, the head held information meetings with all employees, or gathered the managers to communicate what had to be done, in what way, and what was of importance. The managers were then supposed to bring these messages back to their departments to inform the employees.

## 8.3 Conceptualizing CSR and EO

In order to understand how the concepts of CSR and EO were understood by educational administrators, four Indian and five Swedish administrators—heads/deans or principals—from educational institutions in each country were interviewed in depth. The managers were asked what they understood by the concepts of CSR and EO. They were further asked what these concepts meant in their organization/workplace. They were also asked to elaborate on the characteristics of organizations that practised CSR and those that did not practise CSR.

### 8.3.1 CSR

Responding to the question of what they understood by CSR, most Indian educational administrators opined that CSR for them meant working for the betterment of society, managing the smooth running of the institution and providing quality education. One manager observed that working for the underprivileged was what constituted CSR.

The managers in the Swedish educational sector generally said that CSR was about sustainability and responsibility. Two educational managers concluded that neither the environment nor employees should be used in a wasteful way. Another manager stated that all organizations had a responsibility ‘to not make the world worse, but making it better’. The same manager also included an equality perspective: ‘We need to be aware of the environment, contribute to a sustainable development and create better conditions for people to be treated equally regardless of gender, ethnicity, sexuality etc’.

The Indian managers said that their institutions gave scholarships to needy students and conducted many types of social and health awareness programmes in the community as part of their CSR activity. Managers from technical and medical educational institutions said that they provided services to nearby villages and imparted technical skills to youth in the surrounding areas. One respondent from a private university said that CSR was built into their curriculum: each student had to complete a two-credit course which involved providing social services for a minimum of 30 h. Another manager from a private university observed that though they had an agenda for CSR, the decisions were taken and implemented by the trustees of the university. They also provided discounts in fees for promising students.

All managers in the educational sector in Sweden expressed their belief that the university had a responsibility towards the society. However, the interpretation of what this responsibility meant varied among the interviewed managers. One view, e.g. held that the university should provide education to students in accordance with the professions needed in society, and that the university contributed to the

formation of an educated population. Another view stressed the importance of collaborating with society. Instead of discussing CSR, one manager emphasized the need for mutual exchange and responsibility among universities and society with regard to both education and research.

Two managers considered the production of scientific knowledge at the university as a form of CSR. One thought that writing articles was part of the CSR, as this knowledge could make the world better, while another manager did not include the research done in the university as part of its CSR activity. One manager considered researchers' responsibility to engage in political debate as part of CSR.

One respondent emphasized the responsibility that the university had towards its employees, as faculty often pushed themselves too hard in their research careers. The same manager additionally considered sustainable development as part of the institution's CSR effort. Managers could encourage people to travel by train instead of by air when travelling for work.

Three out of the four Indian managers remarked that taking care of students, providing quality education, providing equal opportunities for study, and teaching good values as well as the obligation to serve the needy and the underprivileged characterized a workplace in the education sector that engaged in CSR. One manager expressed the view that the National Service Scheme, which engages students in awareness-raising programmes in the society, constituted the CSR activity of educational institutions in India.

Responding to the question of what characterized institutions that did not in engage in CSR, one manager said that he could not see any educational institution not engaging in CSR activity. The nature of such activity depended on their particular skills and expertise. Two other managers expressed the view that institutions not engaging in CSR were being irresponsible towards society. The remaining respondent however saw these institutions as private businesses with a profit-making orientation.

Managers in the educational sector in Sweden had different views on what characterized an organization which took CSR seriously. One manager emphasized that universities were part of the society, and the organization's responsibility was directed towards the society. Similarly, one manager thought that being politically governed organizations, educational institutions fulfilled their responsibility to the society by educating people. Another manager said that an organization which took CSR seriously 'contributes to something good in the world', but listened to and respected its employees. One manager expressed the importance of maintaining a discussion in the organization regarding these issues, while another thought that it was important to have a special function within the organization with the responsibility of developing CSR towards stakeholders in society and within the organization.

When asked what characterized an organization which did not take CSR seriously, managers in the educational sector in Sweden had a similar view. Four of the five managers interviewed thought that an organization lacking CSR was characterized by the dominance of the profit motive. It was suggested that this kind of organization, for instance, did not demonstrate responsibility with regard to employees' job security.

Compared to managers from the Swedish educational sector, managers from the Indian educational sector talked more about external stakeholders in their CSR activities. This difference might be due to the different contexts of the sampled educational institutions in the two countries. Whereas most of the Swedish higher education institutions are state-owned, most Indian educational institutions from which data were collected were private or trust-owned. However, it needs to be mentioned here that public institutions in India offer heavily subsidized education and comprise a large segment of the education sector; but these institutions are not represented in our sample. In the Nordic countries, education is free for students who are citizens, and the government spends a lot of public money on this service. Whereas higher education, particularly professional, technical, or medical education, is fairly expensive in India. However, irrespective of these differences, educational managers in both countries felt proud of their contribution to society, which they regarded as their institutions' CSR effort.

The education sector in India is not covered under the Companies Act, 2013, including private universities and educational institutions, and thus the sector is not required to comply with CSR law. Nevertheless, all the universities and colleges that were surveyed carry out various CSR activities. The most common forms of this activity are scholarships, tuition fee waivers, or financial aid in some form to promising students from economically disadvantaged backgrounds. Medical colleges and departments also conduct awareness campaigns and health camps, and provide free medical services in rural areas in the form of ambulances, check-ups and surgery. These activities are perceived as a natural extension of their work, since many of them are run by charitable trusts or are located on the city's outskirts.

### 8.3.2 *EO*

We now turn to an assessment of EO for men and women in the higher education sector as perceived by managers in Sweden and India. Like managers in manufacturing and IT, managers in the education sector in India raised the question of where women could and could not work in general: 'If you look [at] the jobs where more physical energy is needed, like opening big valves, handling heavy machines ... [men] are always preferred ... and moreover where there are shift duties, females have dual responsibilities, they have work as well as home'. When talking about their own organizations, they mostly experienced no differences between men and women and instead described their organizations as characterized by EO. One manager said

Here people are looked at on [the basis of] their qualification and experience, their profession, abilities, nothing to do with being a lady or not.... it means you are not discriminated [against] because you are [a] lady. Whenever there is [a] particular task to be done, you would be looked upon as a person having these qualities.

The educational sector was described as attractive to women, and women in education were seen as performing well in managerial positions. Women's family responsibilities were regarded as a hindrance in building a career in the educational sector also

Women are talented and educated enough to work at any level. They have reached higher positions in many sectors; particularly talking about [the] education sector, it is dominated by women. Because of globalization, privatization and liberalization, there are so many changes ... in [the] educational system. More women are attracted [to the] educational area because of timing, leaves, and vacations. Particularly, in my organization, there are 70 per cent women working here. And they are performing well in managerial positions. Another thinking or ideology about women is that they are a secondary part of their family, they are not the major part, so when their husband or father gets transferred, they also have to shift with them. These are the limitations I feel ...

One manager in the Indian university sector said that in an organization characterized by absence of EO, 'women are refused for senior positions. They feel it's a senior position and that [women] are not capable'. The same manager suggested that such organizations were deviant, as they were 'sidelining competent people' by 'basically discriminating because you feel [that] being a woman you may not do a particular job, or being male you may not be capable of a doing particular job'.

Managers in the Swedish university sector felt that it was important for universities to offer EO. Managers considered salary, professional development, organizational mission, division of work tasks, equal treatment, gender composition and the composition of professional staff in higher positions as important aspects of EO. Interviewees further emphasized that the management should consider these issues when looking for candidates for assignments or when promoting an employee, e.g. to associate professor. Further, according to one manager, equal treatment has to be included as part of the work environment, and impacts how men and women are considered during recruitment of teachers and of administrative staff. Two managers felt that it was crucial for the organization to strive for EO. However, their own attitudes might differ from the reality

There still remain rather strong structures which hinder it [EO] regardless of what we achieve with equality plans, gender equality plans, and ambitions. You have to work with it ... pretty often. That is totally obvious to me, but on the other side it is something that is not working as it should.

Managers in the educational sector judged universities as 'rather different' due to their belief that they had come far in questions about equality. Managers felt that they had a rather equal gender distribution, no large differences in salaries, and that in their experience men and women were treated in the same way.

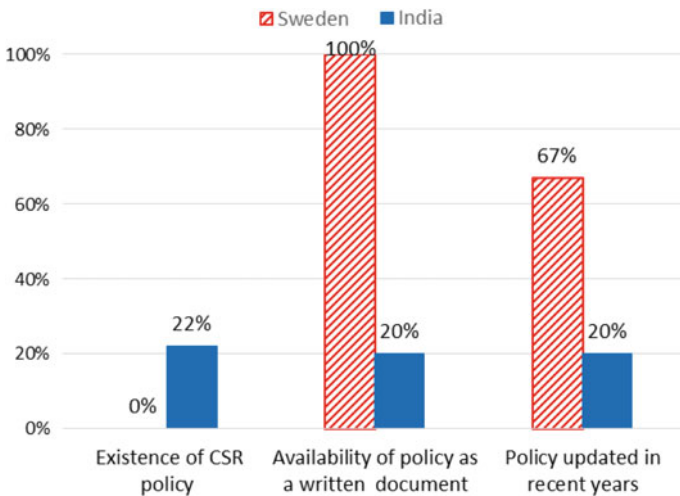
The Swedish managers concluded that in an organization which offered EO, there must be policy documents on EO, an equal distribution of men and women in all positions, no one should feel sidestepped, there should be awareness among the management and employees, and the organization should strive for gender equality.

I think that [this] is a very good workplace, that it is a good place to be at regarding the culture, that you enjoy being there and where you can speak freely. I do not know why ... but there is a lot of research that indicates that gender equal organizations actually have a better work environment.

Managers in Sweden felt that an organization not characterized by EO has only one gender, or one gender is overrepresented among the employees, and does not have awareness of issues regarding EO.

### 8.4 CSR and EO Policies in Practice

The first component of CSR practice that we studied related to the formalization of CSR in the education sector in the two countries. Formalization was assessed in terms of the existence of a CSR policy as a written document in the surveyed organizations, and whether the policy had been updated in recent years. We found that none of the Swedish organizations had a policy on CSR, although 50% of the organizations reported that they ‘sort of’ had a policy (Fig. 8.1). All those which had some kind of policy possessed written documents on CSR. This might be because institutions in Sweden do not use the concept of CSR in their policies, but employ related concepts instead. Only 22% of the Indian organizations had a policy (and an additional 33% said they ‘sort of’ had a policy) on CSR. Of those that had a policy, only 20% had it in written form (20% reported that they had the policy in written form to a certain extent). Reporting on whether the policy had been updated in recent years, two-thirds of the Swedish organizations responded in the



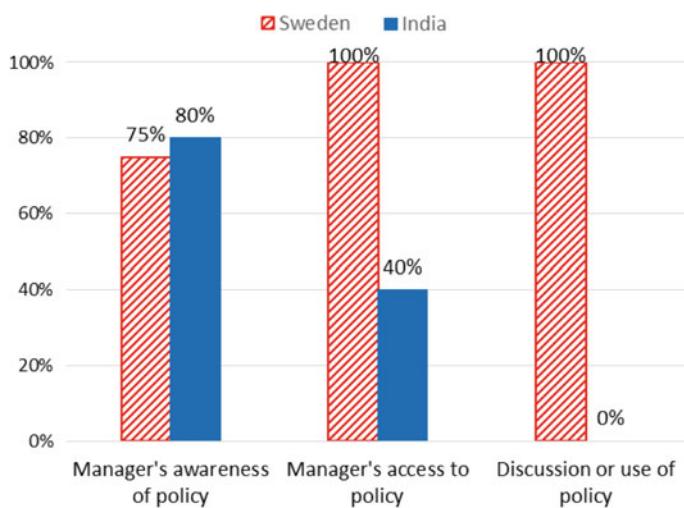
**Fig. 8.1** Formalization of CSR in higher education institutions of Sweden and India (Prepared by the authors)



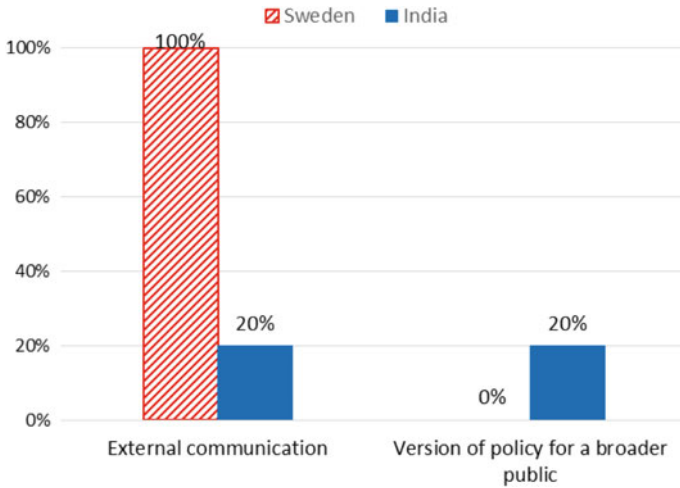
affirmative, whereas only 20% of the Indian organizations reported that their CSR policy had been updated in recent years.

The second component involves the implementation of CSR policy in education organizations in Sweden and India. This component includes the awareness of managers with regard to the policy, the degree of their access to the policy, and whether the policy had been discussed or used in recent years besides being updated. Figure 8.2 shows that around two-thirds of the organizations in both countries reported that their managers were aware of the policy (and an additional 25% of Swedish organizations reported that managers were aware to a certain extent). But when questioned about their access to the policy, 100% of Swedish managers reported having access, whereas in India only 40% of the managers had access to their organization's CSR policy. With regard to discussion or use of the policy in recent years, 100% of Swedish organizations reported that, besides being updated, the policy had been recently discussed or used, whereas none of the Indian organizations reported discussing or using the policy in recent times.

The third component relates to the communication of CSR policy in the education sector of the two countries. This component comprised questions regarding whether the policy was communicated externally, and whether a version of the policy was available in writing to a broader public. The results are presented in Fig. 8.3. The graph shows that 100% of Swedish education organizations reported that their CSR policy was communicated externally, but none of the organizations reported having a version of the policy available to a broader public. In India, only 20% of the organizations reported that the policy was communicated externally and that they had a version of the policy available to a broader public.

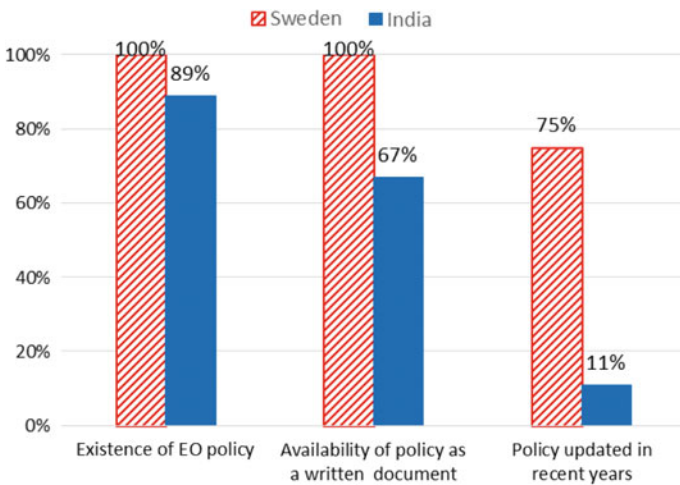


**Fig. 8.2** Implementation of CSR in higher education institutions in Sweden and India (Prepared by the authors)



**Fig. 8.3** Communication of CSR in education (Prepared by the authors)

Figure 8.4 presents information regarding the formalization of EO policies in the education sectors of the two countries. This part of the survey consisted of questions regarding whether the EO policy was available as a written document, and whether it had been updated in recent years. The figure shows that 100% of Swedish organizations had such a policy, and all had it available as a written document. In India, 89% of the organizations had an EO policy (11% had a policy to a certain degree), and 67% had it available as a written document (11% had it

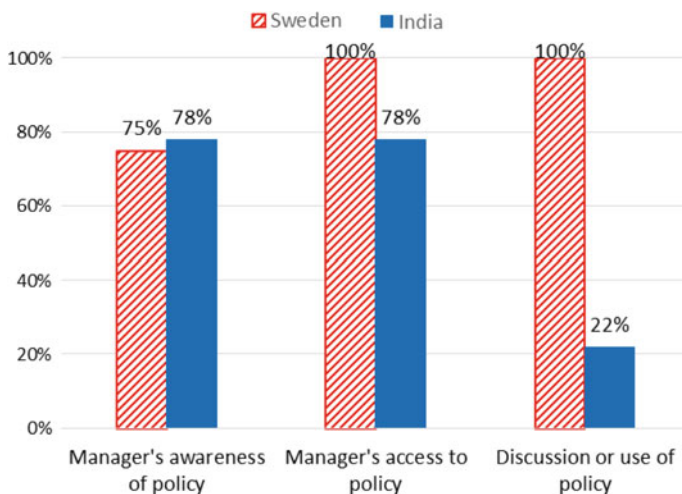


**Fig. 8.4** Formalization of EO in higher education institutions of Sweden and India (Prepared by the authors)

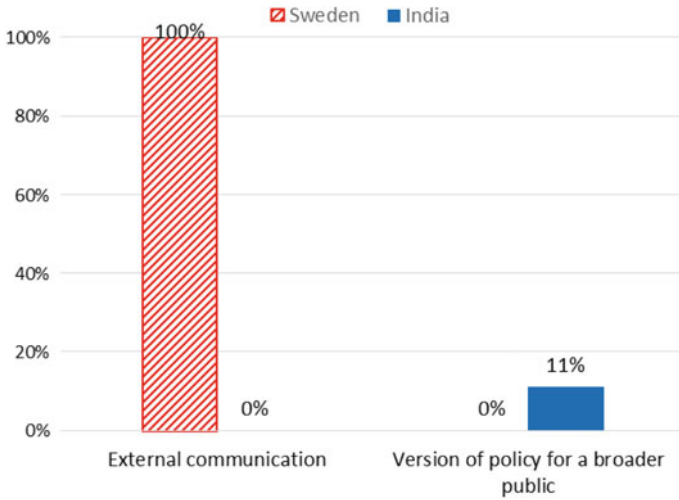
written to a certain degree). Of the Swedish organizations, 75% reported that the policy had been updated recently (and 25% said that the policy had been updated to a certain degree). Only 11% of Indian organizations reported the policy having been updated in the recent past.

The next component of the assessment of EO practices involves the implementation of the policy in the education sector of the two countries. Implementation consists of the extent of awareness of managers about the policy, their access to the policy, and whether the policy was discussed or used recently, besides being updated. Figure 8.5 shows that 75% of the Swedish organizations reported that managers were aware of the policy. In the Indian organizations, managers were aware of the policy to almost the same extent as in the Swedish organizations. In comparison to India, Swedish managers had greater access to the policy. Further, 100% of the Swedish organizations reported that their EO policy had been discussed or used during the previous year besides being updated, whereas only 22% of Indian organizations reported discussing or using the policy besides updating it in the recent past.

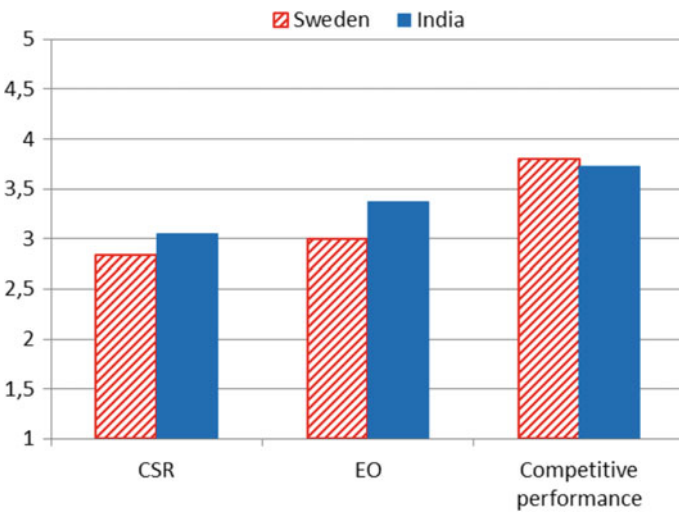
The third aspect of EO concerned communication of the EO policy in the organization. The communication component consisted of questions regarding whether the policy was communicated externally, and whether they had a version of the policy available to a broader public. The results presented in Fig. 8.6 show that all Swedish organizations reported that their EO policy was communicated externally, but none reported that they had a version of the policy available to a broader public. None of the Indian organizations reported that the policy was communicated externally (but 11% reported that the policy was communicated externally to a certain degree); 11% reported that they had a version of the policy available to a broader public.



**Fig. 8.5** Implementation of EO in higher education institutions in Sweden and India (Prepared by the authors)



**Fig. 8.6** Communication of EO in higher education institutions in Sweden and India (Prepared by the authors)



**Fig. 8.7** Managers' ratings of how often CSR, EO, and competitive performance were discussed at management meetings (Prepared by the authors). *Note* Managers' ratings in the education sector: 1 Never, 5 Very often

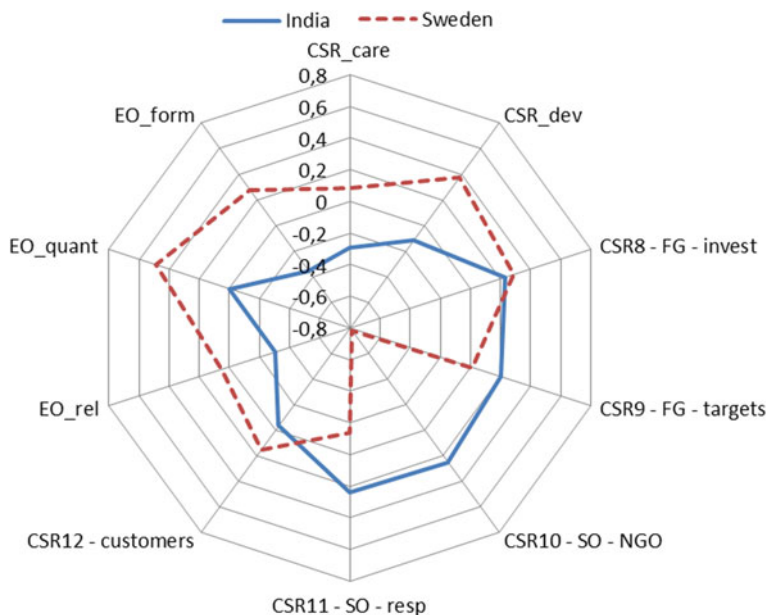
Figure 8.7 shows managers' ratings of how often different issues were discussed at management meetings. Managers rated the frequency of discussions concerning CSR, EO, and competitive performance. Managers in both India and Sweden reported that competitive performance was discussed most frequently, followed by EO and CSR. There was no difference between Indian and Swedish managers

concerning how they reported the frequency of discussion regarding competitive performance. Indian managers (60%) and Swedish managers (67%) reported that such issues were discussed very often or often. However, Indian managers reported more frequent discussions concerning EO (48% reported very often or often) than Swedish managers (29% reporting very often or often).

There was no significant difference between Indian and Swedish managers concerning how they reported the frequency of discussion concerning CSR. Indian managers (35%) and Swedish managers (23%) reported that such issues were discussed very often or often.

### 8.5 Differences Between the Countries in Perceptions of CSR and EO

Figure 8.8 shows how Indian and Swedish managers rated aspects of CSR and EO in their organizations. Corporate social responsibility was represented by the two dimensions of internal CSR, namely, the organization’s responsibilities towards its



**Fig. 8.8** Managers’ rating of aspects of CSR and EO in the education sector in India and Sweden (Prepared by the authors). Note *CSR\_care* Caring for employees; *CSR\_dev* Supporting employees’ development; *CSR8-FG-invest* Responsibilities for future generations, makes investments; *CSR9-FG-targets* Responsibilities for future generations, targets sustainable growth; *CSR10-SO-NGO* Responsibilities towards the society, supports NGOs; *CSR11-SO-resp* Emphasizes the importance of its responsibilities towards the society; *CSR12-customers* Responsibilities for customers’ rights; *EO\_rel* EO in informal relations; *EO\_quant* Equal quantitative representation in vertical division of labour; *EO\_form* EO in formal procedures and relations of power

own employees (caring for employees and emphasis on employees' development), and five single items representing different aspects of external CSR targeting future generations, the surrounding society, and customers (see Chap. 5 for the wording of these items). Equal opportunity was represented by three dimensions: informal relations, quantitative vertical division of labour, and formal procedures and relations of power.

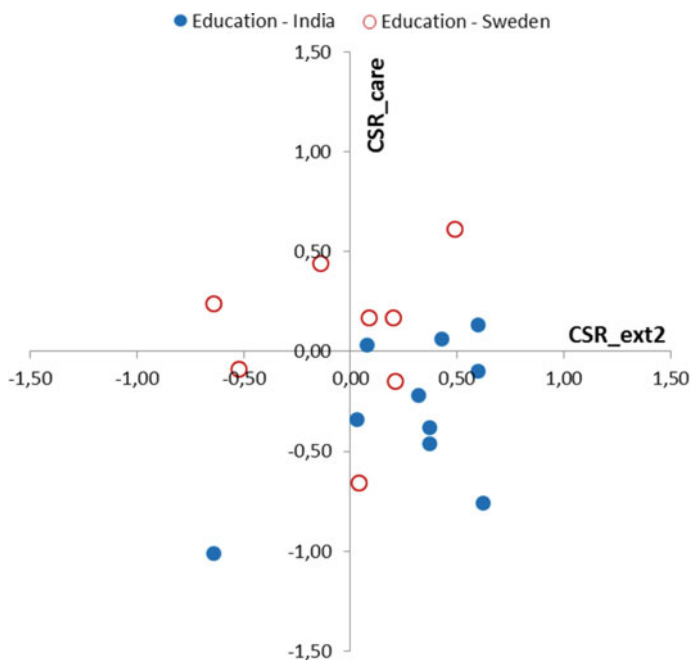
The Swedish managers rated their organizations higher than Indian managers on both aspects of internal CSR: caring for employees and employee development. However, concerning external CSR, Indian managers rated their organizations higher than Swedish managers on two of five indicators: CSR10 (the organization supports NGOs), and CSR11 (the organization emphasizes the importance of its responsibilities for the welfare of society).

No difference was found between Swedish and Indian managers with respect to their ratings of CSR8 (the organization makes investments in creating a better life for future generations); CSR9 (the organization targets sustainable growth); and CSR12 (the organization respects customers' rights beyond the legal requirements). The Swedish managers rated EO higher than Indian managers on all three aspects: informal relations, quantitative vertical division of labour, and formal procedures and relations of power.

## 8.6 Profiles of Sample Organizations with Regard to CSR and EO

Figure 8.9 shows how the educational organizations scored on external CSR (two-item definition, see Chap. 5) and internal CSR (caring for employees). Nine of the 10 Indian organizations surveyed scored above average on external CSR, while one scored below average. Five of the eight Swedish organizations studied scored above average on CSR external, while three scored below average. On average, the Indian managers scored significantly higher in their rating of CSR external. Compared to the other sectors, the Indian organizations (with one exception) were rather similar in their ratings of external CSR. The Swedish organizations showed more variation.

Three of the 10 Indian organizations scored above average on CSR internal, while seven scored below average. Five Swedish organizations scored above average on internal CSR while three scored below average. On average, Swedish managers scored significantly higher in their ratings of internal CSR. The Indian educational organizations (with one exception) were rather similar in their ratings of this dimension, while the Swedish organizations showed more variation. The association between internal and external CSR was not so strong either among the Indian or the Swedish organizations.



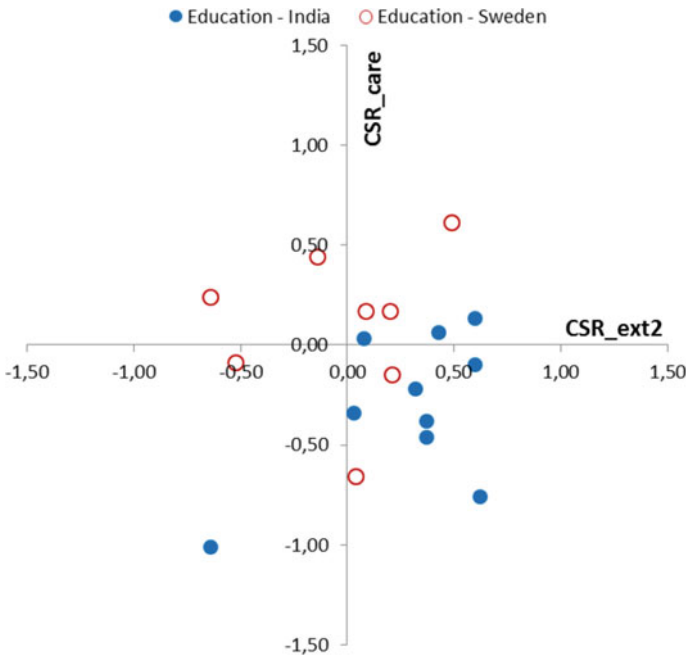
**Fig. 8.9** Ratings of CSR for 10 Indian and 8 Swedish education organizations (Prepared by the authors). *Note* The *horizontal axis* represents CSR with an external perspective (CSR\_ext2). The *vertical axis* represents CSR with an internal perspective, caring for employees (CSR\_care)

Figure 8.10 shows how the educational organizations surveyed scored on the two dimensions of EO: formal aspects of EO, and quantitative aspects of EO. Two of the 10 Indian organizations scored above average on formal aspects of EO, while eight scored below average. Seven of the eight Swedish organizations scored above average on formal aspects of EO while one scored below average.

Four Indian organizations scored above average on quantitative aspects of EO while the remaining six scored below average. Seven Swedish organizations scored above average on quantitative aspects of EO while only one scored below average.

As shown in the previous section, on average the Swedish managers scored significantly higher in their rating of formal as well as quantitative aspects of EO. However, some Indian and Swedish organizations had similar scores.

Among the Indian organizations, there was a moderate association between formal aspects of EO and quantitative aspects of EO. Companies scoring high on formal aspects of EO also scored high on quantitative aspects of EO. A similar association could be observed among the Swedish companies as well.



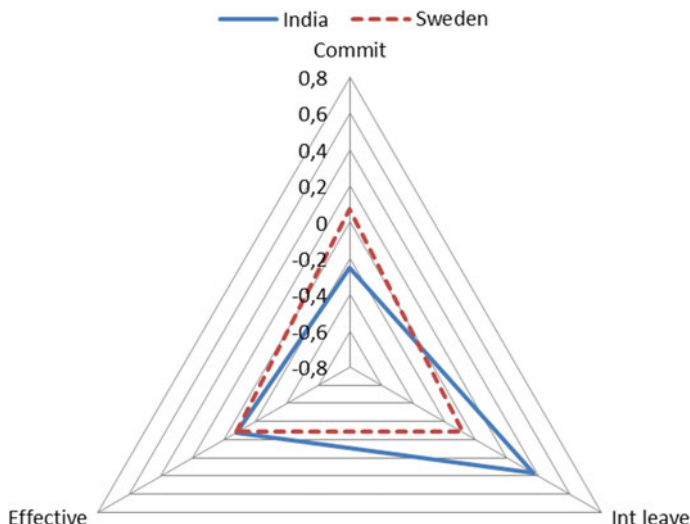
**Fig. 8.10** Ratings of EO for 10 Indian and 8 Swedish education organizations (Prepared by the authors). *Note* The *horizontal axis* represents formal aspects of EO (EO\_form). The *vertical axis* represents EO with respect to equal representation in quantitative division of labour (EO\_quant)

### 8.7 Differences Between the Countries in Terms of Attractiveness and Effectiveness

Figure 8.11 shows how Indian and Swedish managers rated the attractiveness of their organizations, represented by two indicators: managers' rating of intention to leave the organization, and managers' commitment to the organization. Furthermore, the figure shows how the managers rated the effectiveness of their units.

Swedish managers rated their organizational commitment higher than the Indian managers did (effect size = 0.59). Furthermore, Swedish managers rated their intention to leave lower than Indian managers (effect size = 0.78). Thus, both indices show that Swedish managers regarded their organizations as more attractive compared to Indian managers. Concerning the rating of unit effectiveness, there was no difference between Swedish and Indian managers.



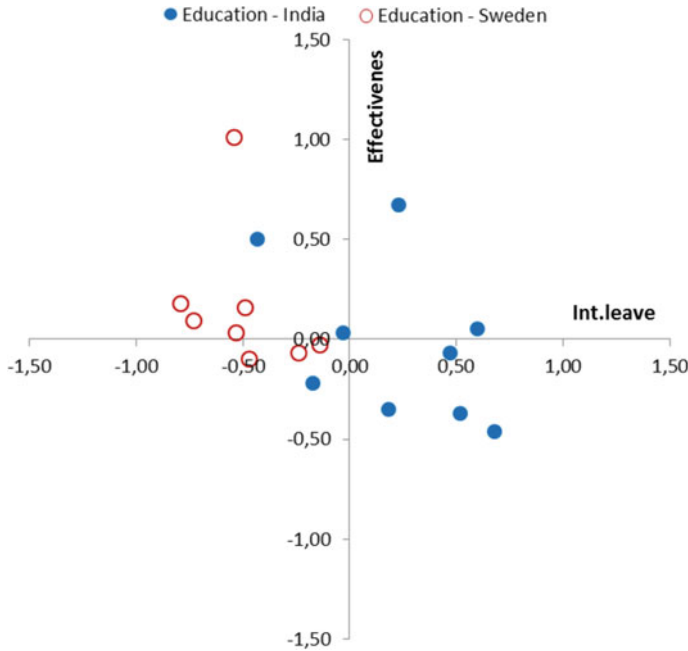


**Fig. 8.11** Managers' ratings of aspects of attractiveness and effectiveness in the education sector in India and Sweden (Prepared by the authors). *Commit* Organizational commitment; *Int leave* Intention to leave the organization; *Effective* Perceived effectiveness of the organizational unit

## 8.8 Attractiveness and Effectiveness Across Sample Organizations

Figure 8.12 shows how the educational organizations in our sample scored on attractiveness, represented by managers' ratings of intention to leave the organization, and managers' ratings of their unit's effectiveness. Seven Indian organizations scored above average on intention to leave, indicating low attractiveness, while the other three scored below average. None of the eight Swedish organizations scored above average on intention to leave, all eight scoring below average. As presented in the previous section, on average, Indian managers scored significantly higher on their rating of intention to leave.

Four Indian organizations scored above average on effectiveness, while the other six scored below average. Five of the eight Swedish organizations scored above average on effectiveness while three scored below average. As reported in the previous section, Indian and Swedish managers did not differ in their average rating of effectiveness. There was no clear association between intention to leave and effectiveness among the Indian or the Swedish organizations.

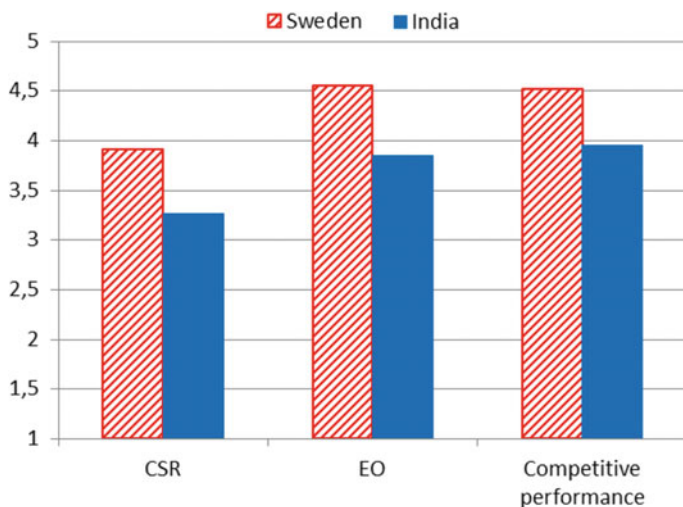


**Fig. 8.12** Ratings of attractiveness (intention to leave) and effectiveness for 10 Indian and 8 Swedish education organizations (Prepared by the authors). *Note* The horizontal axis represents intention to leave (a high value represents a non-attractive organization). The vertical axis represents managers’ ratings of effectiveness. One Indian organization at the point (0.6, -1.6) is not shown in the diagram

### 8.9 Importance of Values for Attractiveness

Figure 8.13 shows how managers rated the importance of CSR, EO and competitive performance for the attractiveness of an organization. Indian managers regarded competitive performance as the most important factor in the attractiveness of an organization, followed by EO and CSR. Swedish managers, on the other hand, regarded EO as most important for attractiveness, followed by competitive performance and CSR.

Swedish managers rated competitive performance as more important (93% very or quite important) than Indian managers (72% very or quite important). Swedish managers also rated EO as more important (91% very or quite important) than Indian managers (72% very or quite important). Furthermore, Swedish managers rated CSR as more important (76% very or quite important) than Indian managers (44% very or quite important).



**Fig. 8.13** Managers' ratings of the importance of CSR, EO, and competitive performance for the attractiveness of an organization (Prepared by the authors). *Note* Managers' ratings in the education sector: 1 Not important, 5 Very important

## 8.10 Summary and Discussion

Almost half the sample of higher educational institutions from India consisted of private organizations, whereas in Sweden most sampled institutions were state universities. The education sector in both countries had the highest proportion of employees with academic degrees compared to other sectors.

In India, all educational institutions asserted that they had a standard equal pay scale for male and female employees. Half of the organizations had administrative support for their lowest level managers, which in this case refers to heads of departments. A high proportion of female managers were present in these institutions. In India, women were mapped as being located mainly in teaching jobs, while men were better represented in administrative and support staff positions, along with teaching. In Sweden too, the education sector had the highest proportion of women in managerial positions and also at the highest management level compared to other sectors. More than half or more top management personnel were reported to be women in the education sector of both countries. The education sector in Sweden also had the highest proportion of temporary workers among all the sectors surveyed. In addition, only half of the institutions studied claimed equal pay for male and female employees. In the Swedish educational sector, HR managers reported that managers had either part-time or no administrative support.

Corporate social responsibility is not mandatory for the educational sector in India. Barring one, none of the sample universities was a corporate university. Still, both in India as well as in Sweden, managers reported that providing quality

education and preparing responsible citizens constituted the CSR activity of their organizations. Promoting education among the young population of the country was seen as CSR activity by educational institutions.

In Indian higher education institutions, managers did not experience any differences in treatment between men and women. Moreover, the educational sector is considered as attractive for women, and Indian managers said that women perform well as managers in the educational sector. However, managers in the Swedish university sector thought that it was important for universities to offer EO for men and women. The managers considered salary, professional development, organizational mission, the division of work tasks, whether men and women were treated equally, gender composition in the organization, and the composition of professional staff in higher positions, among other factors, as important aspects of EO.

In the Swedish education sector, some of the organizations reported having some kind of written policy or steering documents for CSR-related activities; 22% of Indian organizations reported that they had some kind of CSR policy in place. Of those organizations in Sweden that had some kind of policy, all had them documented in writing. Few organizations (20%) had written policy documents in India. Further, somewhat more Swedish organizations reported that their policy had been updated recently compared to the Indian sample. All managers from Swedish organizations had access to the policy and participated in discussing it, while fewer Indian managers had access to the policy, and Indian organizations discussed or used the policy less often. More Swedish organizations than Indian organizations communicated their policy externally. It is interesting to note here that, perhaps because educational institutions are not covered under the CSR act, higher education institutions in India are very casual about formulating, formalizing and implementing a CSR policy. Some institutions have some sort of guidelines in place. However, they reported that they made their managers aware of these guidelines and updated them regularly.

In the education sector, Indian and Swedish organizations seemed to have a policy related to EO to the same extent. But Swedish universities more often had policies in writing, and also updated these more often. Further, managers in Sweden had more access and discussed or used the policy more often. The EO policy was communicated externally more often in Sweden than in India. Our results indicate that Swedish education organizations formalized and implemented the EO policy to a larger extent than Indian organizations, and also communicated it more actively.

Indian higher education institutions were found to be more homogeneous compared to Swedish institutions in terms of their ratings of the components of CSR. Indian managers rated external CSR higher, while Swedish managers rated internal CSR higher than their Indian counterparts. Although some Indian and Swedish organizations had similar scores on the formal aspects of EO as well as vertical division of positions, on average Swedish managers rated both components higher than their Indian counterparts. However, both Indian and Swedish higher education managers showed homogeneity in their ratings of the formal as well as quantitative aspects of EO.

Similar to other sectors, managers in the higher education sector in India and Sweden did not differ in their perceptions of effectiveness of their organizations/units, but Indian managers were found to have lower commitment and a higher intention to leave compared to their counterparts in Sweden. Indian managers regarded competitive performance as the most important factor in the attractiveness of an organization, followed by EO and CSR. Swedish managers, on the other hand, regarded EO as most important for the attractiveness of an organization, followed by competitive performance and CSR. On the whole, the higher education sector in India and Sweden can be said to have different priorities and structural patterns.

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# Chapter 9

## The Healthcare Sector

### 9.1 The Healthcare Sector in India and Sweden

In India, while the right to medical services and health is not provided for directly under the Constitution, it is nevertheless mentioned in the directive principles of state policy. As a result of various legal cases over the years, the fundamental nature of the right to health has acquired legal precedent. While central and state-run medical facilities proliferate in the country, they are overshadowed by privately run institutions in the healthcare sector. Healthcare is one of India's largest economic activities, the provider of many services in the sector—such as telemedicine, medical tourism, insurance, equipment and devices, and hospitals—and is worth an estimated USD 65 billion, making it the world's sixth largest healthcare market with an estimated per capita health expenditure of USD 89. Data from the Department of Industrial Policy and Promotion (Government of India 2017) show that hospitals and diagnostics received foreign direct investment worth USD 4098.19 million between 2000 and 2016. Several goals for improving the quality of health of Indian citizens have been proposed in the government's Five Year Plans, such as reducing infant mortality, increasing access to health services, curbing the growth of HIV/AIDS, etc. The Twelfth Five Year Plan aims for universal health coverage.

In India, the public healthcare sector is constituted by ministries such as the Department of Health and Family Welfare and the Department of Health Research, and related organizations such as the National Rural Health Mission, National Disease Control Programmes, Reproductive and Child Health, and their various schemes/programmes. Key health indicators such as maternal mortality rate, infant mortality or average life expectancy, which had not been at satisfactory levels, have been steadily improving over the last 30 years, but are still worse than those in the Southeast Asian region. Traditional problems such as malnutrition, basic sanitation, and the risk of contracting communicable diseases—which cause 38% of deaths—are still prevalent.

As of 2014, the number of hospitals in India was 184,488, with 152,326 sub-centres. The latest population census in 2011 estimated that 68.8% of the population lived in rural areas; since most private healthcare organizations are concentrated in the cities, there is a large gap in the quality of medical services between rural and urban areas. Large investments by private sector players are likely to contribute significantly to the development of India's hospital industry, which by 2014 comprised around 80% of the total market. Private healthcare accounts for almost 74% of the country's total healthcare expenditure. The private sector's share in hospitals and hospital beds is estimated at 74 and 40%, respectively. The main factor contributing to rising medical tourism in India is the presence of a well-educated, English-speaking medical staff in state-of-the-art private hospitals and diagnostic facilities (India Brand Equity Foundation 2015).

However, the doctor to patient ratio for rural India as per the health ministry statistics stands at 1:30,000, well below the WHO's recommended 1:1000 (Indian Brand Equity Foundation 2015). For example, data from the last National Family Health Survey in 2005–2006 show that only 39.9% of births in rural areas were assisted by doctors or other health professionals. However, there is a growing network of private healthcare providers in rural areas, and increasing numbers of rural residents are opting to avail of their services.

According to a report by the Indian Brand Equity Foundation (2015), India was the sixth largest market globally in terms of size in 2014. Further, hospitals have the largest share (71%) in healthcare revenues in the country, followed by pharmaceuticals (13%) and medical equipment (9%). The World Bank (2015b) estimates that India spends 4.7% of its GDP on healthcare, which is low compared to healthcare spending in other countries worldwide. Healthcare is also estimated to provide 1% of the total employment in the country. India is also the world's third largest exporter of pharmaceuticals, due to a constellation of factors including low labour costs and the manufacture of low-cost generic drugs. Furthermore, private medical facilities account for 81% of all healthcare expenditure. The value of such facilities has been estimated at USD 54 billion by the World Health Organization (WHO) (see Indian Brand Equity Foundation 2015). The estimated monthly wages of employees in the healthcare industry in India are INR 15,770.9 and INR 9892.8 for men and women, respectively, (ILOSTAT Database 2015b).

Healthcare is one of the cornerstones of Sweden's welfare state model. Today, Sweden has one of the strongest performances across various key health indicators internationally as well as among the OECD and European Union countries. Ranked 23rd by the WHO, Sweden has a well-established and comprehensive system of primary healthcare that covers all residents, and is financed by the high tax rates in the country. Historically, healthcare was localized and provided by the nobility and landowners. By the Seventeenth century, physicians were being hired for the community by the local and central governments. Besides a few laws and directives in the Nineteenth century, it was only after World War II that extensive reforms and new policies took hold, such as the National Health Insurance Act of 1946 that provided universal coverage to the Swedish population. In 1970, a single fee for public healthcare was instituted. Eventually, the provision of medical services was

decentralized and became the responsibility of the councils that administer the regional counties, whereas national policy is decided by the National Board of Health and Welfare.

As shown in Table 9.1, of Sweden's total GDP in 2014, 11.9% went towards healthcare expenditure (World Bank 2015a), of which 81.5% comprised public spending as opposed to only 18.5% private spending. Public expenditure on healthcare also amounted to about 15% of the government's budget in the same year, while the per capita total expenditure on health was USD 4244 (ibid.). Considering the scope of the public healthcare system in Sweden, it comes as no surprise that in 2012, medical costs formed the largest chunk, SEK 238 billion, of the government's expenses. Private healthcare providers became eligible for funding from the state after a change in the law in 1990 as part of efforts to make healthcare more competitive and market-oriented. However, in late 2014, the government imposed restrictions on the profits that could be generated by private enterprises in the public healthcare system.

According to data from the ILOSTAT Database (2010a), 15.5% of employment in Sweden stemmed from its healthcare sector, which contributed 18.1 and 81.9% of male and female employment, respectively. Finally, hourly wages, last estimated in 2008, were SEK 132.6 for men and SEK 131.4 for women.

In India, healthcare spending was 4% of GDP in 2013 and contributed 0.8% of employment (2010) in the same year. Remuneration for men and women was INR 15,770.9 and 9892.8 per month, respectively, in 2012 as per the ILO's labour surveys (see Table 9.1).

The health and social work sector employs the largest number of women in Sweden (27% of all working women). This is also the sector with the highest proportion of women (81.9%). In India, the health and social work sector employed

**Table 9.1** Healthcare sector

	Sweden	India
Contribution of GDP (%)	11.93 (in 2014) <sup>a</sup>	4.65 (in 2014) <sup>b</sup>
Ownership	Public (primarily) and private	Public and private
Percentage of total employment	15.5 (in 2010) <sup>c</sup>	0.8 (in 2010) <sup>c</sup>
Percentage of males in the sector	18.1 (in 2010) <sup>c</sup>	60 (in 2010) <sup>c</sup>
Percentage of females in the sector	81.9 (in 2010) <sup>c</sup>	40 (in 2010) <sup>c</sup>
Salary for men	SEK 132.6/hour (in 2008) <sup>d</sup>	INR 15,770.9/month (in 2012) <sup>d</sup>
Salary for women	SEK 131.4/hour (in 2008) <sup>d</sup>	INR 9892.8/month (in 2012) <sup>d</sup>

<sup>a</sup>Data obtained from World Bank (2015a)

<sup>b</sup>Data obtained from World Bank (2015b)

<sup>c</sup>Data obtained from ILOSTAT Database (2010a, 2010b)

<sup>d</sup>Data obtained from ILOSTAT Database (2015a, 2015b)



1.3% of all working women in 2010. The proportion of women in healthcare is 40% (ILOSTAT Database 2010a, b). Thus, the sector is heavily female-dominated in Sweden, but not in India. However, in the Indian setup, the managers of hospitals and chief executives are always doctors, whether male or female.

## **9.2 Profile of Organizations According to Their Socio-demographic Characteristics**

### ***9.2.1 The Indian Healthcare Organizations***

Among the sample organizations surveyed, the organizations in the healthcare sector had the smallest average number of employees (253). The Indian healthcare organizations had the highest average proportion of women employees, 59% with a range of 40–98%, compared to the three other sectors in India. These organizations also had the highest average proportion of women in management (63%) and women in the highest management team (54%). Besides two organizations that specialized in conditions of the heart, the rest of the healthcare sample consisted of multi-speciality hospitals that covered diagnostics, primary, secondary and tertiary care. All of the 10 Indian healthcare organizations from which data were collected were privately owned and managed, as compared to public hospitals which arguably have an expansive patient base and thus also larger staff. Temporary employees were not present in six of the 10 organizations within the sample; however, they constituted a large proportion of the employees (43.8%) in the remaining four organizations. Similarly, four of the healthcare organizations did not have part-time employees, but such employees comprised 4.8% of the workforce in the rest of the sample. Furthermore, 17.5% of all employees were placed by staffing agencies in eight of the organizations studied. These employees were primarily to be found in the housekeeping, security and catering staff. Within our sample, healthcare organizations had the highest proportion of employees with academic degrees (88.7%). All the interviewees confirmed having standard pay scales for their staff and parity between male/female managers.

The proportion of new managerial recruits, as well as voluntary turnover, was highest in the healthcare organizations in our sample: 29 and 19%, respectively. The underlying factor is possibly the large presence of temporary employees in the industry, further compounded by many of them being young women who are able to find better opportunities elsewhere in the healthcare industry or settle down, as recounted by several of the managers who were interviewed. Moreover, three of the organizations in the healthcare sample had begun operations recently and thus did not have a stable workforce at the time of data collection.

Ninety percent of the organizations were found to provide administrative support to their managers, possibly due to the fast-paced nature of work in the healthcare sector. The gender distribution of the managers at the highest level was also the

most balanced compared to the rest of the sample, with 40% female and 60% male managers. Gender mapping of the organizations showed that, by and large, women were present in all departments and often outnumbered men among nursing, administration and other medical staff. At the same time, three organizations reported that they had more male doctors than female doctors.

All the hospitals surveyed for the healthcare sector were associated with CSR activities in the form of free or subsidized medical services, camps and rallies or awareness campaigns. Several hospitals mentioned a lack of formalization or documentation of their CSR activities despite being involved in various ways, consistent with their view that such activities are a natural extension of their profession, whereas the larger hospitals had separate CSR personnel or departments. Human resource managers in at least four hospitals also spoke of being commissioned or appointed as external agents for the CSR activities of other organizations.

### ***9.2.2 The Swedish Healthcare Organizations***

The Swedish healthcare organizations in the study had the largest average number of employees (2975). The smallest healthcare organization had only around 250 employees, and the largest had 7500. The Swedish healthcare organizations were all heavily female-dominated (an average of 81.9% women employees, with a range of 76–90%). This was the highest proportion of women employees in comparison with the manufacturing, IT and university organizations surveyed in this study. The proportion of part-time employees was on average 17.3% (with a range of 3–27.6%)—the highest proportion in comparison with the other three sectors. Similarly, healthcare organizations had the most part-time employees. Three healthcare organizations had 25% or more of their staff on part-time contracts. The hospitals also had some temporary employees, an average of 9% (ranging from 2.3 to 13%). Ten of the 13 organizations had employees who were recruited by staff agencies, but only to a small extent, the range is 1–2%. On average, 68% of the employees had an academic degree (range 60–78%). The HR managers of 10 of the 13 Swedish organizations reported that women and men who were managers received equal pay. In two organizations, this was not the case. All the organizations, except two, reported a mix of collective bargaining and individualized pay scales.

The proportion of new employees recruited during the previous three years in the healthcare organizations in our sample was around the same as in the manufacturing sector: 28% of the managers had been recruited to their positions during the previous three years (the range is 2–27%). An average of 16.4% of the managers had quit voluntarily. In most healthcare organizations, managers did not have daily administrative support; only in two organizations did managers have some daily support. Both men and women worked in administration. In some organizations, more or less equal numbers of men and women worked in administrative units, e.g. within HR/finance, but other areas like the administration of salaries could be

women-dominated. Interviewees also mentioned that men were represented in greater numbers in higher managerial positions. The organizations within the healthcare sample had the highest proportion of women managers (70.5%) in comparison with the other three sectors. The proportion of women in the highest management team was 49%, and the top-level manager was a man in 9 of the 13 healthcare organizations surveyed in Sweden.

Men tended to work in the areas of property, IT, medical physics and technology, and as ushers. According to some HR managers, the doctors were men to a greater extent than women, but not in all organizations. In some organizations, the chief doctors and operations managers were principally men. Interviewees also mentioned that more men were represented in ambulance units. In some organizations, the majority of employees in all occupations were women, and women were spread across the whole organization. But others reported having an evident division of labour, with women working primarily, for example, as assistant nurses, nurses, physiotherapists and medical secretaries.

Organizational values were communicated by e-mail, intranet, internet, printed material, staff magazines and newsletters. In one organization, according to the HR manager, an online newsletter from the director of the region and the top manager of the organization worked like a blog where organizational values were communicated. Values were also discussed during salary meetings, staff meetings, training sessions, team meetings, meetings with the union and meetings specifically for the discussion of the value base. The HR managers further reported that steering documents and staff questionnaires were also used to communicate organizational values. Orientation programmes for new employees were compulsory for both employees and new managers. Further, management teams held meetings where values were discussed. Thereafter, the managers were required to communicate with the staff in writing or orally using the chain of command. According to the HR managers interviewed, managers were seen as carriers of the organization's values, and they bore the responsibility for employees' competence development and awareness. New policies or values, based on political decisions, which were to be introduced and implemented in the organization usually, came with communication materials that were intended to be used for the purpose of dissemination.

### **9.3 Conceptualization of CSR and EO**

Managers from healthcare organizations from the two countries were interviewed to understand their conceptualization of CSR and EO. Nine managers were asked what they understood by the concepts of CSR and EO. They were further asked what these concepts meant to their organization/workplace. They were also asked to elaborate on the characteristics of organizations that practised CSR and those that did not practise CSR.

### 9.3.1 CSR

Most managers in the healthcare sector in India whom we interviewed belonged to private or trust-run hospitals. The managers generally thought that the work of the healthcare industry by its very nature constituted a form of CSR. A few managers believed that CSR involved responsibility towards the society, while some others said that it meant providing extra services without remuneration. Interestingly, one healthcare manager from a private hospital remarked that all the free health camps and check-ups done in the name of CSR were just a form of advertising to attract more patients to the organization. A manager from a corporate hospital said that people did not come to avail of their services because of the general notion that corporate hospitals are quite expensive. Employees were motivated to encourage people to come in and to give them the feeling that they wanted to serve healthcare seekers/patients.

For many healthcare organizations, CSR activities consisted of providing health services to the poor either free or at a discount, holding free health camps in villages and conducting awareness programmes on HIV/AIDS, diabetes and obesity for students from orphanages and at institutions working for street children. One manager said that CSR included making the work environment-friendly towards and supportive of patients. Two managers also felt that by taking care of employees' personal needs and educating them to take care of themselves during medical procedures (like, when dealing with HIV patients), the organization was engaging in CSR activity. One manager reported that his organization had adopted a primary healthcare centre and was providing help to people through this means. He also said that contributing a few hours to building an NGO was an act of charity and could be considered as CSR. Another manager reported having discussions about CSR in his organization. This organization had formed a drug bank using sample medicines given by medical representatives of pharmaceutical companies so that these drugs could be provided to poor people who could not afford to buy medicines. The manager described this as CSR activity on the part of his organization. Another manager felt that CSR in healthcare institutions should include disposing of biomedical wastes in an ethical way and not doing anything to harm the health of the general public in the locality. The concept of charity rules the concept of CSR in the health sector. According to one manager, however, as mentioned earlier,

in the health sector, they are not following the concept of CSR. By doing awareness programmes, events, medical camps, they just want to attract people to their hospitals. In the name of CSR, they are just marketing themselves. No established hospital would do a free haemoglobin test for people. CSR should be done in rural areas, for poor people.

Two managers said their organization did not have CSR on its agenda, whereas another asserted that his organization made an annual budgetary allocation for CSR and released a calendar for CSR activities at the beginning of each year. One manager affirmed that in his organization, regular discussions were held about CSR and all employees were sensitized to the CSR values of the organization.

Managers interviewed in the Swedish healthcare sector expressed the belief that public healthcare organizations in Sweden had a responsibility towards the society. Three of the four managers felt that CSR was appropriately addressed by the political leaders, at the regional level, because healthcare is a politically governed domain. The managers said, e.g. that even though it might be difficult, managers of healthcare organizations had the responsibility of realizing and representing the values propagated by politicians. Another obligation of the healthcare sector, it was suggested, was to use tax money in the wisest possible way. Two managers offered the view that they were responsible for promoting health not only for patients by helping them to recover and return to their working lives, but also for their staff and citizens in general. However, one manager expressed the difficulties with being a health-promoting hospital: 'Our hands are full doing other things ... But we do some in that direction'.

Further, like the view offered by one of the managers in the education sector, one healthcare sector manager too expressed the belief that the core assignment of healthcare organizations itself constitutes CSR. One Swedish manager said that, as part of its CSR, a healthcare organization has to cooperate with both public organizations and NGOs.

Swedish managers said that at the workplace, CSR included an emphasis on recruiting staff that could perform their duties in a safe and competent way, instilling an equal treatment perspective in the organization, and engaging in patients' associations by delivering lectures. Other examples offered included prohibiting smoking for both, staff and in-patients, awareness regarding the environment in the form of recycling, and offering locally grown and ecologically safe food.

One of the Indian managers asserted that he did not know of any workplace that did not engage in CSR activities, while another said that it was not necessary for every kind of workplace to engage in CSR. For example, business process outsourcing units do not engage in CSR. Three other managers felt that health organizations that did not engage in CSR were only profit-motivated and did not respect human values or have any true concern for the society.

In the Swedish healthcare sector, managers pointed to different aspects of an organization that took its CSR seriously. One manager suggested that such an organization lived up to political goals and worked for equal treatment of all. Another manager felt that such organizations showed commitment to CSR issues, had knowledge about them, educated people about what CSR meant, and gave their employees time to work on CSR issues. Similarly, one manager believed that in such organizations, questions of CSR were integrated into the organization's operations. Finally, one manager in Sweden generally thought that an organization that engaged in CSR not only thought about profit but gave support to local projects, NGOs, or other community organizations.

According to the Swedish healthcare managers, organizations not characterized by CSR were only profit-driven and did not care about society. One manager said that such an organization was a more 'closed organization', having little communication with its collaborative partners and with employees.

### 9.3.2 EO

Managers in the Indian healthcare sector reported the presence of EO for men and women in their organizations. For example, one manager observed that as a result of EO policy, she was given the opportunity to be the unit head, but due to her family situation, being the mother of a four-month-old baby, she had to decline the offer.

Managers also expressed their personal views regarding EO. According to one interviewee, EO should be for everyone: ‘Equality should be there at all levels of the staff, and I strictly implement this notion. For me, equality in terms of respect, finance, distribution of work, and power should be available for all’.

On the other hand, managers also experienced obstacles in terms of EO. One hindrance faced by women involved the prevalence of ‘stereotypical values and thought processes’ which prevented them from climbing the organizational ladder. One manager explained that the top positions were ‘not possible for women in India’. Another manager expressed her view that ‘men don’t like to report to females, so whenever there are females in the upper hierarchy in the organizational structure, men usually get uncomfortable’.

According to some managers, EO can exist even in areas where women usually do not work. But then EO should be conditional upon performance—if an employee tries hard and is really enthusiastic and ready to work passionately, then EO is operative:

I am not gender specific. If somebody is enthusiastic about work, I give them equal opportunities, whether it’s male or female, it doesn’t matter. But for me, long working hours are really important. If somebody wants to work with me, they need to put in their 100 per cent. They need to forget their home time. They need to forget going home early. I cannot recruit 9-to-5 people. Any gender that is ready to work passionately, forgetting their time slots, I think, I will give them equal opportunities.

As in the manufacturing and IT sectors, managers in the healthcare sector often understood men and women as essentially different: ‘the male staff has greater physical strength’ and ‘can work for longer hours’. Females are supposed to have innate nursing skills, which makes them even ‘more necessary and important’ in a hospital setup. Indian managers reported that a workplace characterized by EO was one where there were no differences in how men and women were treated. Some suggested that a diverse group of employees was a positive feature in an organization, as diversity creates a healthy work environment and a harmonious employer–employee relationship.

Nevertheless, like managers in the manufacturing and IT sectors, healthcare sector managers also concluded that in India, the division of labour between genders is dependent on the kind of job, position and organization under consideration. These characteristics have an impact on whether an organization offers EO or not. The vertical division of labour was obvious to managers in the healthcare organizations surveyed. One manager suggested that work, in general, was not woman-friendly in India:

Indians have not welcomed females sitting at the board level.... I think, ICICI Bank, State Bank of India (SBI) have females at top positions. But there are very few [such] places. But you look at other corporates, it is the same everywhere. Male insecurity that a female is being given a chance and that they would lose their jobs.... Because females definitely are better performers, [have an] emotional quotient and try to ensure that the organization is stable at 360 degrees where men cannot see that point of view. Usually, I feel [there is] such kind of insecurity in every organization. There are no equal opportunities.

Three of the Indian managers reflected on the importance of gender for the issue of when and where in organization men and women worked. One manager stated that in her hospital, men and women both worked without limitations, during both morning and night shifts. This manager felt that women faced hindrances in working overnight depending on the sector concerned: 'In general, it will more depend on which type of organization it is. Because in the hospital sector, a female can work over night, where in company sector, where the company is at a remote place, a female cannot go there. So the female will be hampered to go certain areas'.

Another manager expressed the view that gender could have an impact on employees' ability to work in some units in healthcare organizations, due to the need to be out day and night. This manager viewed women as not being qualified for positions that required the employee to be at work during the night. These positions seem to be reserved exclusively for men:

Because it is a hospital setup females are more required. It is unusual because here both of them are equal in work. For certain jobs they are not qualified like marketing, because they have to be more out day and night which is not possible. Otherwise in all fields they are equal.

The division of labour based on gender was also regarded as being preferable in the healthcare sector. A manager explained that he preferred women in some areas and men in others as follows:

In semi skilled workers, I will see that there are more females than males, for example, in nursing staff, for 50, I would [have] 10 males and 40 females. Similarly, in marketing and IT departments, males are more than females. It varies. But if any female is good in marketing, I would also allow her that.... see, in hospital industry, there are two departments. In Field Department and Outfield department. Outfield department deals with outside issues of hospital such as HR, marketing, home to home service, laboratory services, for such tasks, I will prefer male staff. In field departments such as nursing, hospital administration, hospital coordination, patient care and billing department, I will prefer female staff.

In the Swedish healthcare sector, some managers referred to the gendered structures present in the society and remarked that the issue of EO was frequently discussed in Sweden. One manager explained that societal structures also existed in work organizations, and that is why 'men usually, but not always' benefit from these structures rather than women employees. One manager, despite finding it complex to work with EO, observed that the organization's responsibility to observe EO needed to be emphasized; likewise, it was important to find people who wanted to engage with these kinds of questions. It was important, for example, to have an equal treatment plan, to conduct work environment surveys, and to analyze

gendered aspects of the organization such as the number of men and women in different positions and the gender gap in wages.

Overall, healthcare organizations were considered as a special case, since the healthcare sector in Sweden is women-dominated. Therefore, it is notable that in Swedish healthcare organizations, EO was often discussed in the context of the scope for parental leave. One example is in recruitment. One of the managers interviewed said, ‘I do not care about what age the woman is and I do not pay attention to possible pregnancy, etc. It is about being generous with leaves and the possibilities of combining having children and working in the hospital’.

The issue of equal possibilities of career development was also considered to be independent of whether or not a woman stayed at home for a longer period after having a child. Additionally, it was emphasized that no one should be left behind in pay revisions because of parental leave or pregnancy. Swedish healthcare managers thought that it was important that both men and women took parental leave. They also concluded that managers had a responsibility to even out differences in pay so that men would not have a higher salary than women in the same positions or the same type of job.

Even though the equal pay was considered important, one manager also considered the difficulties with equal pay:

Those men who work [in this organization] have the same value as women, but the fact is that we have so few men.... Those men who work [in this organization] leave the organization to work in the private sector or change branch, like working as a salesman or something. That is because the pay raise is low.

Another Swedish manager suggested that men and women differed from each other and that men contributed in a different way than women did within the same work group: ‘I think it is good to have men in the work group, because then there are other kinds of discussions, another way of communicating in comparison with women. They are more straightforward and [there is] not so much gossip’.

In India, one manager suggested that a work environment which in general was characterized by the lack of EO ‘would be a disaster’. Managers suggested that workplaces in remote areas, or at large engineering sites where an employee had to be on site 24 × 7, were examples of organizations without EO, and where females ‘cannot give their best’. But some also identified particular occupations where men and women could not be equal (such as electricians and drivers). One manager described her previous organization as follows: ‘They did not have equal opportunities for men and women .... I worked like a man, that’s why I survived for five long years, being the only female in the top slot. But it was very difficult’.

A workplace characterized by EO, according to managers in the Swedish healthcare sector, is one that offers plenty of education regarding gender issues and builds awareness and a more consensual idea of what EO is and how the organization can work with gender issues. They also said that in such a workplace, both time and money are invested in dealing with such matters. Managers felt that merit and personality should be considered, and not the individual’s gender and employees must have the same opportunities to participate and have an impact and

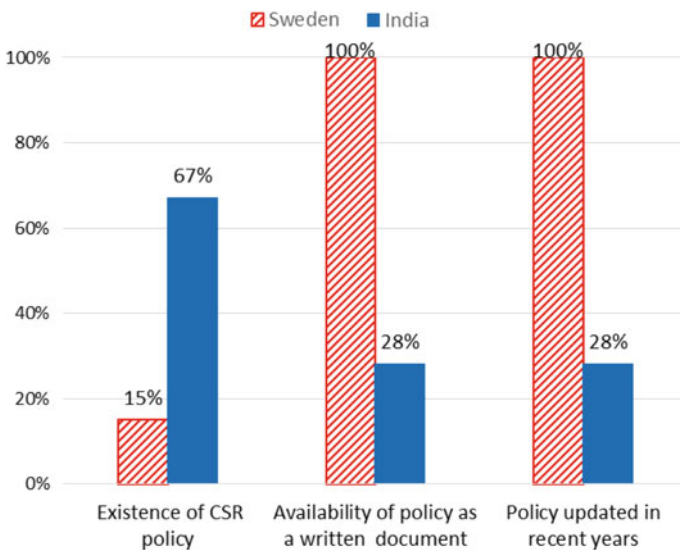


to develop competence regardless of gender. There should be no discrimination in terms of salaries and no sexual innuendo. Instead, employees in such a workplace would listen to each other and show each other respect. What an employee said would be valued equally regardless of gender. Finally, one manager also observed that in such an organization, gender issues would be discussed.

According to the managers, an organization that does not offer EO is a place characterized by many prejudices regarding what gender means and what men and women can or cannot do, and how each gender is valued. The managers observed that individuals or groups of individuals are not involved in decision making on a wide scale in this kind of organization. A few people make decisions, and there are informal meetings and hidden agendas. Everyone does not have the same scope for having an impact and does not have the same opportunities for career development. Also, in this kind of organization, women in their fertile years have difficulty getting positions, and there is a lack of flexibility regarding employees with small children. In such organizations, even sexual harassment may be tolerated. If a healthcare organization does not place value upon EO for its employees, this would also have a spillover effect on the hospital’s patients.

### 9.4 CSR and EO Policies in Practice

Figure 9.1 represents the formalization of CSR policy in the healthcare sector in the two countries. This component is conceptualized as the presence of a CSR policy in the form of a written document, and the policy having been updated in recent years.



**Fig. 9.1** Formalization of CSR in healthcare sector organizations (Prepared by the authors)

Figure 9.1 shows that only 15% of Swedish healthcare organizations had a policy on CSR (an additional 15% said they had a CSR policy to a certain extent). All the Swedish healthcare organizations which said they had policy documents relating to CSR reported that they had the policy in written form. Whereas in India, almost two-thirds of the healthcare organizations surveyed had a policy (and 11% had a policy to a certain degree), but less than one-third had it in the form of a written document. Further, 100% of the Swedish organizations reported that the policy had been updated in recent years, whereas less than one-third of the Indian organizations reported having updated the policy in recent years.

The second component concerns the implementation of CSR policy in healthcare organizations in Sweden and India. Implementation consists of awareness among managers about the policy, their access to the policy and whether the policy had been discussed or used in recent times. Figure 9.2 shows that 100% of the healthcare managers interviewed in India were aware of the policy, but only 14% had access to it (and 14% ‘sort of’ had access to the policy); whereas in Sweden 75% of the managers were aware of the policy and had access to it. In terms of whether the policy had been discussed or used recently, the figure shows that this was the case in 100% of the Swedish healthcare organizations, whereas in India only 14% of the organizations surveyed had discussed or used the policy recently, besides updating it.

The third component involves the existence of the policy as a value in the organization as measured by organizational communication. The communication component included questions regarding whether the policy was communicated externally, and whether a version of it was made available to a broader public. Figure 9.3 shows that 33% of Swedish healthcare organizations reported that their

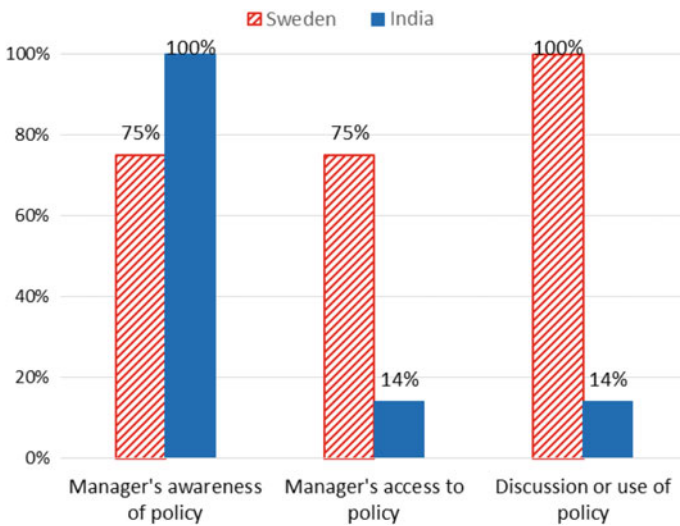
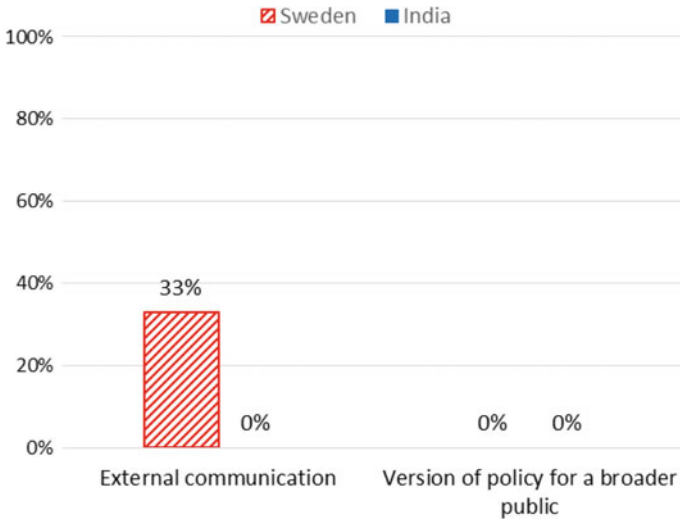
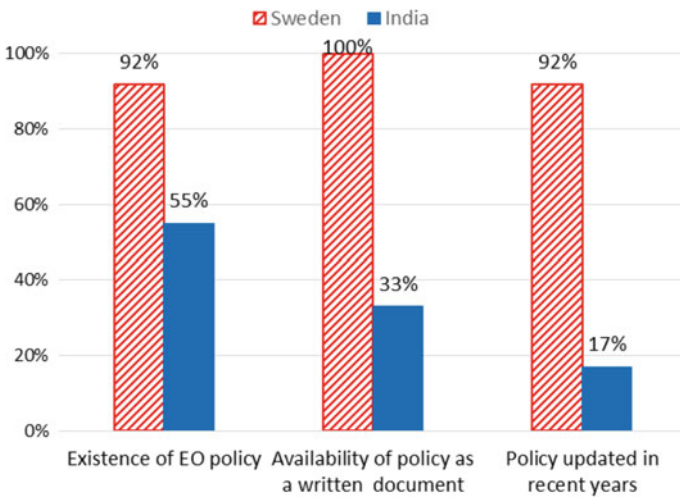


Fig. 9.2 Implementation of CSR in Healthcare sector organizations (Prepared by the authors)



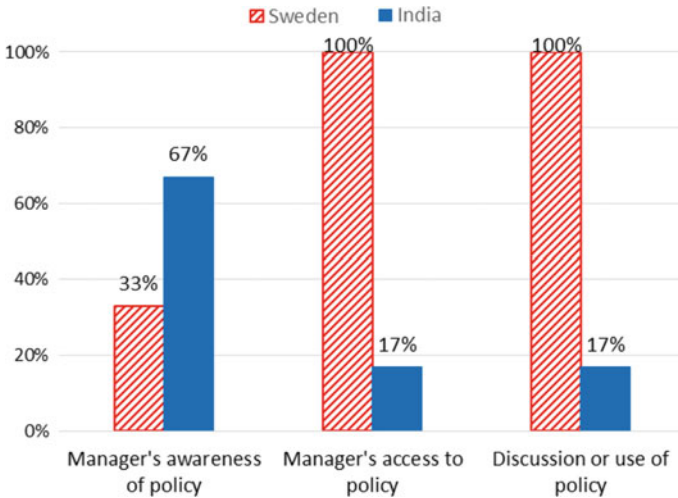
**Fig. 9.3** Communication of CSR in healthcare sector organizations (Prepared by the authors)



**Fig. 9.4** Formalization of EO in healthcare sector organizations (Prepared by the authors)

CSR policy was communicated externally, whereas none of the Indian healthcare organizations reported external communication of their policy. With respect to the second question, all healthcare organizations surveyed in both countries reported that there were no versions of the policy available to a broader public.

Figure 9.4 represents the formalization of the policy of EO in the different organizations of the healthcare sector in the two countries. The formalization



**Fig. 9.5** Implementation of EO in healthcare sector organizations (Prepared by the authors)

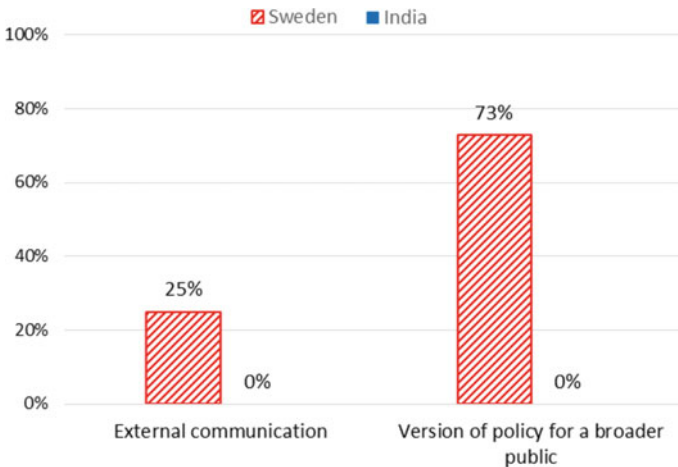
component consisted of questions about whether a policy existed as a written document, and whether the policy had been updated in the recent past. The figure shows that almost all of the Swedish healthcare organizations had a policy on EO, and all of these organizations had a written-down version of it, whereas, in India, only half the organizations surveyed had a policy (and 11% had a policy to a certain degree); only one-third had it available as a written document. The figure also shows that 92% of the Swedish organizations reported that their EO policy had been updated in recent years, whereas this was the case in only 17% of Indian organizations.

The second component relating to EO pertains to the implementation of the policy in the healthcare sectors of the two countries (Fig. 9.5). This component consisted of questions about the awareness of managers regarding the policy, their access to it, and whether the policy had been discussed or used during the previous year besides having been updated recently. The figure shows that about one-third of the Swedish organizations and two-thirds of Indian organizations reported that their managers were aware of the policy. In Sweden, the remaining 67% of organizations reported that managers were aware to a certain degree. Further, in Sweden, all managers had access to the policy, whereas, in India, only 17% of the organizations reported that their managers had access to the policy (and 17% had access to a certain degree). With respect to discussion or use of the policy during the previous year, 100% of the Swedish organizations responded in the affirmative, while in India only 17% of the organizations reported that the policy had been discussed or used during the previous year besides being updated.

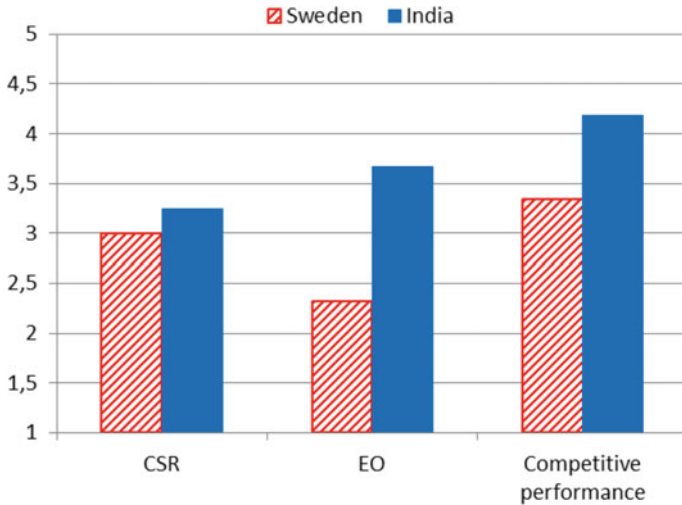
The third component relates to the communication of the EO policy in the healthcare sectors of Sweden and India. This component included questions as to whether the policy was communicated externally by the organization or not and whether it had a version of the policy available to a broader public. Figure 9.6 shows that about one-third of the Swedish organizations reported that the policy was communicated externally (and 8% were communicating the policy externally to a certain degree), whereas none of the Indian organizations reported communicating their policy externally. More than two-thirds of Swedish organizations reported having a version of the policy available to a broader public; none of the Indian organizations reported doing so.

Figure 9.7 shows the managers’ ratings of how often CSR, EO and competitive performances were discussed in management meetings. Managers in India reported that competitive performance was discussed most frequently, followed by EO and CSR. Managers in Sweden also reported that competitive performance was discussed most frequently, followed by CSR, and least frequently EO.

The Indian managers reported more frequent discussions concerning all three issues compared to the Swedish managers. Thus, Indian managers reported having more frequent discussions concerning competitive performance (77% very often or often) than Swedish managers (48% very often or often). Indian managers also reported more frequent discussions concerning EO (58% very often or often) than Swedish managers (7% very often or often). Furthermore, Indian managers reported somewhat more frequent discussions concerning CSR (47% very often or often) than Swedish managers (34% very often or often).



**Fig. 9.6** Communication of EO in healthcare sector organizations (Prepared by the authors)



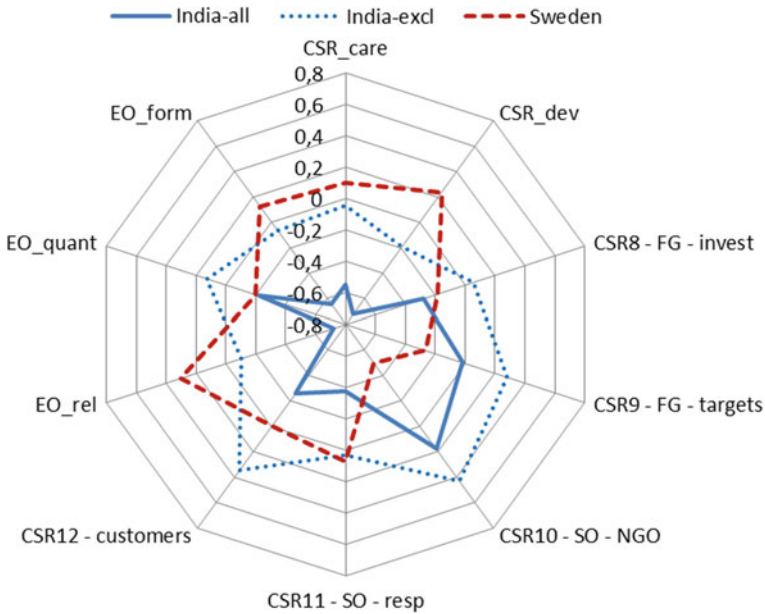
**Fig. 9.7** Managers’ ratings of how often CSR, EO, and competitive performance were discussed in management meetings (Prepared by the authors). *Note* Managers’ ratings in the health sector: 1 Never, 5 Very often

### 9.5 Differences Between the Countries in Perceptions of CSR and EO

Figure 9.8 shows how Indian and Swedish managers rated aspects of CSR and EO in their organizations. In Chap. 5, we identified three outlying Indian healthcare organizations, with average ratings considerably lower than all other organizations studied. Therefore, the ratings from the Indian healthcare managers are depicted in two data series, one series including observations from all healthcare organizations and one series excluding observations from the three outlying organizations.

Corporate social responsibility was represented by the two dimensions of internal CSR, including the organization’s responsibilities towards its own employees (caring for its employees and emphasis on employee development) and five single items representing different aspects of external CSR (targeting future generations, the surrounding society, and customers; see Chap. 5 for the wording of these items). Equal opportunity was represented by three dimensions: informal relations, equal quantitative representation in the vertical division of labour, and formal procedures and relations of power.

First, we shall look at the difference between the ratings of Swedish and Indian managers when all sampled Indian organizations are included. The Swedish managers rated their organizations considerably higher than Indian managers with respect to both aspects of internal CSR: caring for employees and employee



**Fig. 9.8** Managers’ ratings of aspects of CSR and EO in the health sectors in India and Sweden (Prepared by the authors). Note *India-all* Ratings based on data from all sampled Indian healthcare organizations, *India-excl* Ratings excluding data from three outlying Indian organizations. *CSR\_care* Caring for employees; *CSR\_dev* Supporting employees’ development; *CSR8-FG-invest* Responsibilities for future generations, makes investments; *CSR9-FG-targets* Responsibilities for future generations, targets sustainable growth; *CSR10-SO-NGO* Responsibilities towards society, supports NGOs; *CSR11-SO-resp* emphasizes the importance of responsibilities towards society; *CSR12-customers* responsibilities regarding customers’ rights; *EO\_rel* EO in informal relations; *EO\_quant* equal quantitative representation in vertical division of labour; *EO\_form* EO in formal procedures and relations of power

development. However, with respect to external CSR, Indian managers rated their organizations higher than their Swedish counterparts on two of five indicators: CSR9 (the organization targets sustainable growth) and CSR10 (the organization supports NGOs). On the other hand, Swedish managers rated external CSR higher on CSR11 (the organization emphasizes the importance of its responsibilities with regard to the welfare of society) and CSR12 (the organization respects customers’ rights beyond the legal requirements). Furthermore, Swedish managers rated EO in their organizations considerably higher than Indian managers with respect to informal relations as well as formal procedures.

Next, we compare the ratings of the Swedish and the Indian managers, excluding the three outlying Indian organizations. As was seen in Fig. 9.8, the profile of the Indian healthcare organizations now becomes rather different. This means that the three outlying organizations heavily affected the Indian average on several variables. The most pronounced differences in the two profiles of the Indian healthcare sector, i.e. with and without the outlying organizations, are in the perception of

internal CSR, relational and formal aspects of EO, and responsibilities regarding patients' rights. The differences between Indian and Swedish managers now becomes less salient. Swedish managers still rated their organizations higher than Indian managers with respect to one aspect of internal CSR, i.e. employee development. With respect to external CSR, Indian managers rated their organizations higher than their Swedish counterparts on three of five indicators: CSR9 (the organization targets sustainable growth), CSR10 (the organization supports NGOs) and CSR12 (the organization respects customers' rights beyond the legal requirements).

The Swedish managers rated EO in their organizations higher than Indian managers with respect to one aspect: informal relations. On the other hand, Indian managers rated one aspect of EO higher than Swedish managers: equal quantitative representation in the vertical division of labour. This means that Indian managers placed greater emphasis on an equal number of men and women in power positions compared to managers in Sweden.

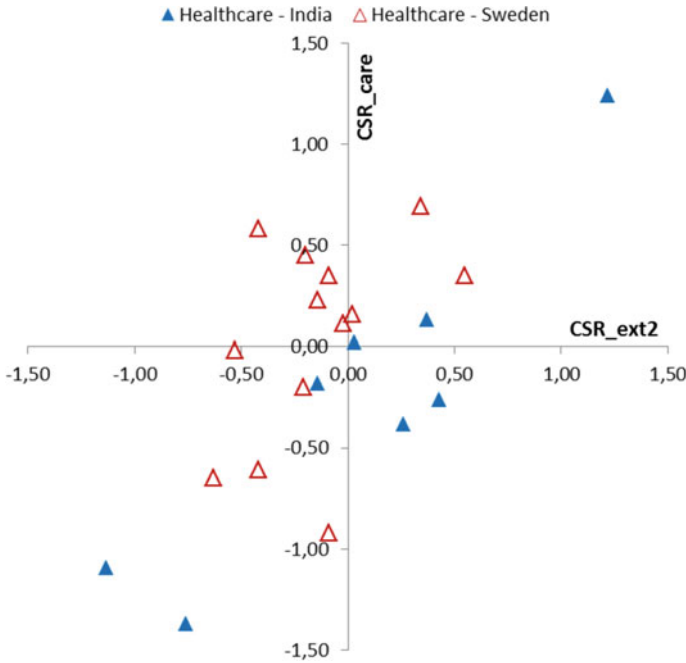
It is difficult to say which representation—the one including the three outlying organizations or the one excluding these three—is more valid. Including or excluding these three outlying organizations gives fairly different pictures of the Indian healthcare sector. The three organizations showed very different organizational averages compared to all other organizations studied in both countries and may represent a certain class of Indian organizations more or less salient in the Indian healthcare sector. But these organizations may also be rare exceptions that we happened to sample by pure chance. Characteristics of these outlying organizations included a low degree of care for their personnel, low emphasis on employee development, low ratings of EO in informal relations as well as in formal procedures and relations of power.

## 9.6 Profiles of Sample Organizations on CSR and EO

Figure 9.9 shows how the health organizations scored on external CSR (two-item definition; see Chap. 5) and internal CSR (caring for employees). Five of the 10 Indian organizations scored above average on external CSR, while 5 scored below average. Three of the 13 Swedish healthcare organizations scored above average on external CSR while 10 scored below average. On average, Indian organizations scored higher than Swedish organizations on external CSR after excluding the outlying cases. Including these organizations, the difference was no longer significant. There was a considerable spread among Indian organizations, while the Swedish organizations were more similar to each other.

Three of the 10 Indian organizations scored above average on internal CSR while seven scored below average. Eight of 13 Swedish organizations scored above average on internal CSR while five scored below average. As shown in the previous section, the Swedish managers on average scored the development aspect of internal CSR higher, but not the caring aspect (excluding the outlying



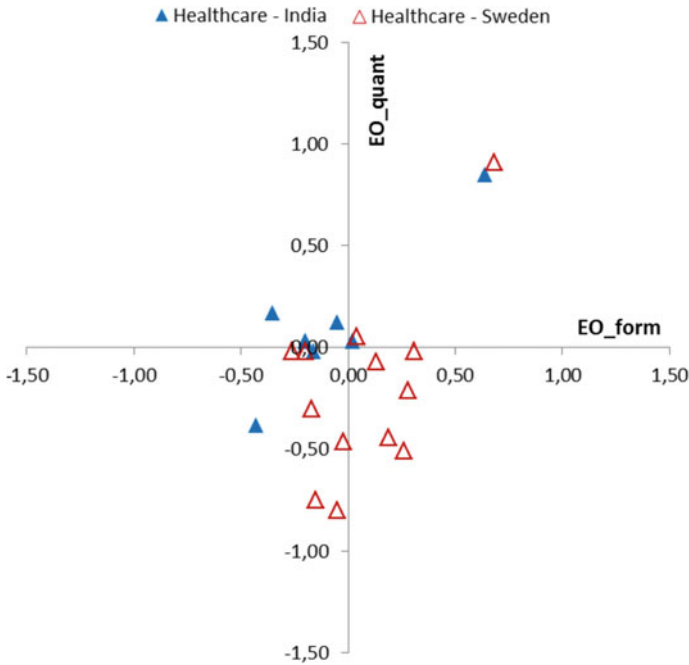


**Fig. 9.9** Ratings of CSR for 10 Indian and 13 Swedish health organizations (Prepared by the authors). *Note* The *horizontal axis* represents CSR with an external perspective (*CSR\_ext2*). The vertical axis represents CSR with an internal perspective, caring for employees (*CSR\_care*). Two Indian organizations at the points (-1.38, -1.72) and (-1.27, -1.96) are not shown in the diagram

organizations). Including the outlying organizations in the comparison, the difference was significant for both dimensions, with clearly higher scores for the Swedish organizations. Also, with respect to this dimension, there was a wide spread among Indian organizations, while the Swedish organizations were somewhat more similar.

Among the Indian organizations, there was a strong association between external and internal CSR. Companies scoring high on external CSR also scored high on internal CSR. There was such an association among the Swedish health organizations as well, but weaker.

Figure 9.10 shows how the health organizations scored on the two dimensions of EO: formal aspects of EO and quantitative aspects of EO. Two of the 10 Indian organizations scored above average on formal aspects of EO, while eight scored below average. Seven of 13 Swedish organizations scored above average on formal aspects of EO while six scored below average.



**Fig. 9.10** Ratings of EO for 10 Indian and 13 Swedish health organizations (Prepared by the authors). The *horizontal axis* represents formal aspects of EO. The *vertical axis* represents EO with respect to equal representation in quantitative division of labour. Three Indian organizations at the points (-2.17, -1.23), (-1.95, -0.6) and (-1.77, -1.18) are not shown in the diagram

On average, the formal aspects of EO were rated higher by the Swedish managers, but this difference was no longer significant after excluding the three outlying Indian organizations. Five of the 10 Indian organizations scored above average on quantitative aspects of EO, while the remaining five scored below average. Two Swedish organizations scored above average on quantitative aspects of EO while 11 scored below average.

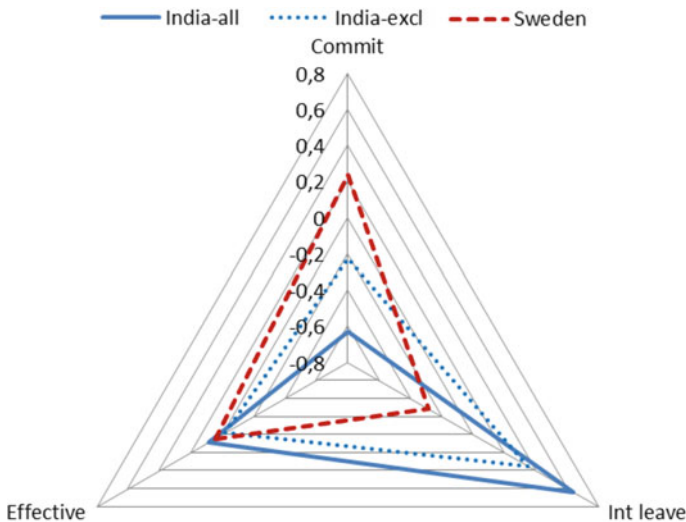
On average, the quantitative aspects of EO were rated similarly by Indian and Swedish managers, but after excluding the three outlying Indian organizations, the ratings by the Indian managers became significantly higher than those of the Swedish managers.

Among the Indian organizations, there was a strong association between the formal and quantitative aspects of EO. Companies scoring high on formal aspects of EO also scored high on quantitative aspects. This kind of association was less pronounced among the Swedish companies.

### 9.7 Differences Between the Countries with Respect to Attractiveness and Effectiveness

Figure 9.11 shows how Indian and Swedish managers rated the attractiveness of their organizations, represented by two indicators: managers’ ratings of their intention to leave the organization, and managers’ commitment to the organization. Furthermore, the figure shows how managers rated the effectiveness of their units. Note that the comparison between countries was made using two data series, as explained in Sect. 9.5, one series including observations from all healthcare organizations, and one excluding observations from the three outlying organizations.

Both comparisons showed similar results, but the country difference became even more pronounced when including all Indian organizations. Swedish managers rated their organizational commitment higher than Indian managers. Furthermore, Swedish managers rated their intention to leave lower than Indian managers. Thus, both indices show that Swedish managers regarded their organizations as more attractive compared to Indian managers. Concerning the rating of unit effectiveness, there was no difference between Swedish and Indian managers.

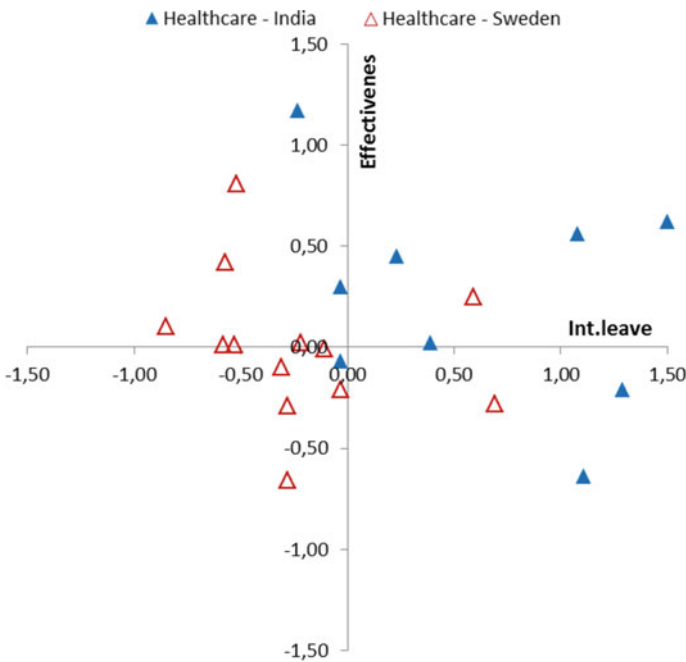


**Fig. 9.11** Managers’ ratings of aspects of attractiveness and effectiveness in the health sector in India and Sweden (Prepared by the authors). Note *India-all* Ratings based on data from all sampled Indian healthcare organizations, *India-excl* Ratings excluding data from three outlying Indian organizations. *Commit* Organizational commitment; *Int leave* Intention to leave the organization; *Effective* Perceived effectiveness of the organizational unit

### 9.8 Attractiveness and Effectiveness Across Sample Organizations

Figure 9.12 shows how the health organizations scored on attractiveness, represented by managers’ ratings of their intention to leave the organization and managers’ ratings of their units’ effectiveness. Seven of the 10 Indian organizations scored above average on intention to leave, indicating low attractiveness, while three scored below average. Two of the 13 Swedish organizations scored above average on intention to leave, while 11 scored below average. As presented in the previous section, on average, the Indian managers scored significantly higher than Swedish managers in their rating of their intention to leave.

Six of the 10 Indian organizations scored above average on effectiveness while four scored below average. Seven of 13 Swedish organizations scored above average on effectiveness while the remaining six scored below average. As seen in



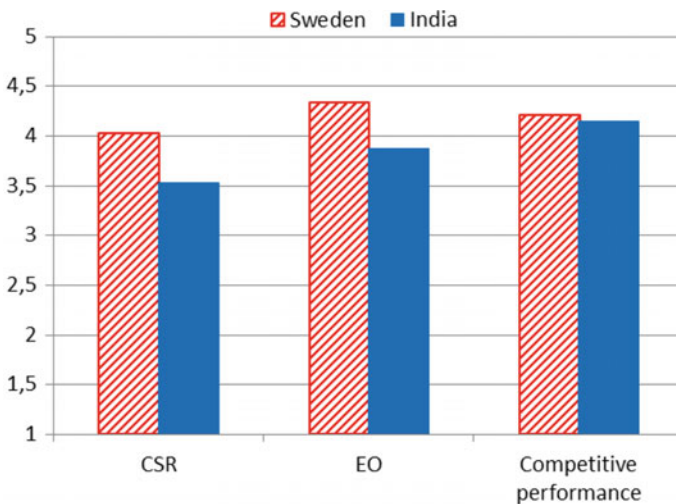
**Fig. 9.12** Ratings of attractiveness (intention to leave) and effectiveness for 10 Indian and 13 Swedish health organizations (Prepared by the authors). The *horizontal axis* represents an intention to leave (a high value represents a non-attractive organization). The *vertical axis* represents managers’ ratings of effectiveness. One Indian organization at the point (1.09, -1.56) is not shown in the diagram

the previous section, Indian and Swedish managers did not differ in their average ratings of effectiveness. Neither among the Indian nor the Swedish organizations was there an association between intention to leave and effectiveness.

## 9.9 Importance of Values for Attractiveness

Figure 9.13 shows how the managers rated the importance of CSR, EO and competitive performance for their organization's attractiveness. Indian managers regarded competitive performance as the most important factor in the attractiveness of an organization, followed by EO and CSR. Swedish managers, on the other hand, regarded EO as the most important factor in their perception of the attractiveness of an organization, followed by competitive performance and CSR.

There was no significant country difference in ratings of the importance of competitive performance: 76% of the Indian managers and 82% of the Swedish managers rated competitive performance as very important or quite important. More Swedish managers rated EO as important (87% very or quite important) than Indian managers (69% very or quite important). More Swedish managers also rated CSR as important (78% very or quite important) than Indian managers (56% very or quite important).



**Fig. 9.13** Managers' ratings of the importance of CSR, EO, and competitive performance in the attractiveness of an organization (Prepared by the authors). *Note* Managers' ratings in the health sector: 1 Not important; 5 Very important

## 9.10 Summary and Discussion

The healthcare sector sample included 13 Swedish organizations and 10 Indian organizations. However, of these 10, data from three Indian organizations looked very different from all other organizations. According to their means, these organizations had extreme scores as compared to the other sample organizations, and thus for some of the analyses in the book they have been considered as outliers. Also, the findings of the research reported here should be read with a contextualized understanding of the type of healthcare organizations sampled and studied from both countries. The public-owned nature of healthcare organizations in Sweden and private/trust-owned or corporate Indian healthcare organizations have very different frameworks for the operationalization of the two organizational values under study.

In many ways, the healthcare sector appears to be different from the other sectors. On average, fewer healthcare organizations had written policies on CSR; less than one-fifth of Swedish organizations and two-thirds of Indian organizations reported having a CSR policy. Among all the organizations having a CSR policy, the Swedish organizations had these policies in written format and updated the policies to a larger extent than Indian organizations. Interviews with HR personnel reflected that in Indian organizations, managers were more aware of their organization's policies, whereas Swedish organizations discussed these policies more often. Only one-third of Swedish organizations communicated their policy externally, compared with none of the organizations sampled in India.

Regarding formalization, implementation and communication of EO, Swedish healthcare organizations were much ahead of the Indian organizations as gathered from the interviews of HR managers. More healthcare organizations in Sweden than in India had policies on EO, and the Swedish organizations more often had policy documents as well as updating their policies more often. The managers in Sweden had greater access to the policy and discussed or use it more frequently. Swedish healthcare organizations communicated their EO policy externally more than Indian organizations. The Swedish organizations also had a version of the policy for a broader public to a larger extent than Indian organizations. Furthermore, managers in Sweden were more aware of their EO policies than Indian managers.

However, analysis of the quantitative data from the healthcare organizations showed another trend. Indian managers reported discussing both values, CSR and EO, as well as competitive performance more than their Swedish counterparts in management meetings. Managers from Indian healthcare organizations reported a greater degree of involvement in external CSR in their organizations, whereas Swedish managers reported a greater focus on employee development as part of CSR in their organizations. Indian and Swedish healthcare managers, excluding the three outlying Indian organizations, differed in two out of three dimensions of EO. Indian managers reported higher quantitative vertical division of labour, and Swedish managers reported a higher focus on informal relations in comparison with their counterparts.

Interestingly, although both Indian and Swedish healthcare managers perceived their organizations as almost equally effective, Indian managers showed less organizational commitment and higher intention to leave, showing that they found their organizations less attractive. It may be inferred from these findings that, irrespective of perception of effectiveness, managers from the healthcare sector found organizations attractive when they perceived the organization as taking care of employees and their development. Swedish healthcare managers rated both the organizational values—CSR and EO—as more important for organizational attractiveness than their Indian counterparts.

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# Chapter 10

## Gender Equality in the Swedish Educational Sector: A Case Study on Swedish Academia

Birgitta Jordansson

### 10.1 Introduction

Equal treatment—that is obvious.

This remark was made in 2015 by the head of a Swedish university department. The statement is emblematic of generally prevailing attitudes towards gender in contemporary Sweden. Since the 1970s, gender equality has been a hallmark of Swedish politics and part of the Swedish self-image. It is enforced by an active policy of gender equality and by legislation to which all political parties in Sweden accede. An outcome of this policy is that all public organizations are forced to adjust to gender equality goals and to strive actively to achieve gender equality in their own organizations. This is one of the mandatory tasks of a manager in any public organization; as Swedish academic organizations are almost exclusively public; this goes for academia as well. At the bottom of the academic chain, we have departments with heads who are responsible for everyday academic life, for employees, and for students. They are the ones who are expected to make sure that gender equality is taken into account when decisions are made. They are expected to draw up gender equality plans and to evaluate the work done towards attaining the goals specified in the plans on a yearly basis.

A major difficulty relates, of course, to how this task should be interpreted. What does gender equality mean in practice? The concept is established on a rhetorical and/or discursive level, but that does not entail a generally accepted understanding of what it means in actual practice. A commonly held idea is that gender equality means equal treatment, as testified by the epigraph at the beginning of this section. Issues are reduced to questions of quantity, of representation at different levels, and

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B. Jordansson (✉)

Department of Sociology and Work Science, Gothenburg, Sweden  
e-mail: birgitta.jordansson@socav.gu.se



of positions. Such an understanding facilitates efforts to enhance the number of women in an academic context where men overwhelmingly outnumber women, at least in the highest positions. It is more difficult in academia to evoke qualitative efforts and to challenge the academic setting and the way academia defines itself. The reasons for this will be explored in what follows.

This chapter aims to explore how gender equality as a concept is interpreted and how it is practised in academic organizations. The chapter starts with a short historical review and continues with a discussion of an inborn clash of *logics* which arises from the contradiction between academic values and the political ideal of fairness. In the light of this context, the study addresses the realities of the mandatory attention to gender equality, focusing on those who are responsible for fulfilling the mission at the lowest level in the academic hierarchy. What possibilities and what kinds of challenges can be made visible? Why do these efforts sometimes seem so tenacious and volatile? The study builds on interviews conducted during the spring of 2015 with representatives of 10 departments from different scientific areas and from three universities in Sweden.

## 10.2 Swedish Academy from a Gender Perspective: History and Current State

In 1873, female students were formally accepted into Swedish universities. Ten years later, in 1883, a Swedish woman earned a Ph.D. degree for the first time, but until 1949 women never made up more than 5% of the total number of students completing their doctoral degrees. The number of women employed at higher positions in academia was more or less negligible during the first half of the twentieth century.

Already from the beginning women were seen as outsiders, as deviants with respect to the academic setting, its values and its system of thought. Yet, a turning point can be identified in the beginning of the 1970s. Due to the democratization of the educational system and the rising interest in women's rights in the society at large, women began to enter Swedish universities in significant numbers. Gender equality has been on the agenda in higher education ever since, and, as a result, gender equality has been enhanced on several levels in academia. However, while there has been a breakthrough for *individuals*, Swedish academia can still be characterized by a sexual division of labour where men and women pursue different career paths.

Some examples may serve to illustrate this claim. Women more frequently than men carry on with educational tasks while men continue to have easier access to research careers (She Figures 2009). In mission statements, strong commitments are declared to teaching as well as to research. Yet teaching remains less valued (Volk et al. 2001). Furthermore, in the late 1990s, Swedish researchers Christine Wennerås and Agnes Wold documented both nepotism and sexism in the practices of the Swedish Medical Research Council by showing that women had to work harder to prove themselves and compete with their male colleagues (Wennerås and Wold 1997). They also found that the opportunities for men to reach excellent

research positions continued to be greater compared to those for women (Sandström and Hällsten 2008). Imbalances in the highest positions show the general validity of these studies. Although the number of women students and women at lower positions has increased rapidly, only slightly more than 20% of women in academia are full professors. Due to the impact of horizontal segregation, the percentage differs between the different scientific fields, where the lowest numbers of women as full professors are seen in technical science and the highest in the humanities. This is an international phenomenon, which can be understood as a marginalization of women that is embedded in the structure. It has been expressed in terms of constructing men and masculinities in academia (e.g. Hearn 2001, 2004a; Husu 2001; Valian 2005). It can be seen as an ongoing cloning or reproduction of sameness ingrained in the academic culture, which favours men (Essed and Goldberg 2002, 2012).

### 10.3 Political Striving for Gender Equality in a Swedish Academic Context

In the early 1990s, the Swedish government declared gender mainstreaming as an overall strategy for the gender equality policy. The policy rested on the idea of equal rights and principles of representation. According to the logic of the gender equality policy, representative fairness was and continues to be in focus, with an emphasis on equal power and opportunities for women and men (cf. Government Bill 2005–2006:155). To meet the overarching objective, the Government Bill from the mid-1990s had declared:

A gender equality perspective must be applied to all policy areas. This means that proposals and decisions must be analysed from a gender equality point of view, to clarify possible consequences for women and men, respectively. It applies especially to structural changes in society. Gender equality must be pursued in every policy area and measures must be primarily carried out within the framework of the regular activities of the bodies concerned. Nevertheless, special initiatives, too, are needed to propel development in the desired direction. (Government Bill 1993–1994:147).

As the objectives are general and compulsory for all central government activities, they apply also to research and higher education. Since the mid-1990s, therefore, promoting gender equality has been a mandatory requirement for academia. One year later, in 1995, the government presented *Gender Equality in Education* (Government Bill 1994–1995:164), the first bill on this topic in Sweden. The bill presented several concrete suggestions for measures that would amend gender imbalance in both the long-term and the short-term perspectives. In this context, what needs to be highlighted is the point of departure for such measures, based on understandings gained from research on sex and gender and on power relations between the sexes. The conclusion was that gender equality was a question of knowledge rather than of attitudes. Thus, even if the political logic took its point

of departure from principles of representation and fairness, the underlying assumptions were based on long-term programmes for change. Measures to correct quantitative imbalances between men and women might then even comprise a changed view of science itself, and changing the dominant perceptions of the central issues in science.

The need for more women in the academic community has been a recurrent theme among politicians as well as in academia for at least the last two decades. But among politicians, there has also been a notorious dissatisfaction with how these issues have been handled internally within academia, which has been regarded as being quite passive when it comes to taking active measures to redress the gender imbalance. For this reason, several political initiatives have been introduced to speed up the task. But these initiatives have been contested within academia. The reason for this may be found in the nature of academic values.

## 10.4 Gender in a Meritocratic Organization

In its encounter with academia, the gender equality policy discourse on representative fairness and equal treatment has had to negotiate and combat powerful academic discourses on meritocracy and quality. Since meritocratic fairness rests on entirely different grounds than political justice, gender issues arouse strong feelings. Favouring women in the name of gender equality is judged to be incompatible with an academic understanding of fairness, which forms the basis of the meritocratic order in academia. Academia rests on values that emerge from traditions emphasizing the freedom of inquiry. The field is governed by its own logics, consisting of norms for the activity of scientific research formulated by Robert Merton in the 1940s. These classical imperatives are still taken as the normative starting points in terms of what should govern the production of academic knowledge. The norm of *communalism* entails that knowledge is created socially, in collaborative ventures, where participants are entitled to share the research results. *Universalism* implies that research is assessed according to the actual work done, and not on the basis of the researcher as a person. Moreover, scientific research should be accessible to everyone, i.e. it should be *disinterested*. The researcher is expected to be selfless and neutral in relation to the discipline. Finally, Merton propounds the norm of *organized scepticism*, which means that researchers should have a critical attitude towards the world (Merton 1973).

The principles that must guide researchers and their career opportunities in the academic system should, according to this view, not include gender at all. It is research as such that must be in focus, and the producer is less important. Even though these imperatives have been debated and modified, the core idea persists: academic rules should govern academic activities. When positions are to be filled and research funds distributed, the decisions are expected to be made according to objectively meritocratic principles. Academic rhetoric thus pervades the system of meritocracy, in which the people who are selected are supposed to owe their

selection to formal, and thereby fair, grounds. The best research must be rewarded, irrespective of who conducted it and regardless of whether this would hypothetically result in a single-sex research community. The imperatives just described form the 'ideal academic world', and they are recurrently highlighted when the imbalance between men and women comes up. Furthermore, the peer-review system serves as a guarantee for the legitimacy of the meritocratic system.

Yet, in actual practice, this system involves people who act in different ways (Lemont 2009; Van Arensbergen et al. 2014). Cognitive particularism or partiality is a concept that captures this process. Assessments do not, in other words, take the shape of purely rational processes. They entail some element of attitudes and personal preferences, and this also affects the work itself. Since academic culture is premised on men and their relationships with other men, women from the beginning have fewer opportunities. The very way in which academic excellence is defined may be tantamount to constructing maleness in the academic world (Hearn 2004b). Or, as stated in a report discussing the relationship between excellence and underlying notions of gender, 'even an unbiased measure, when applied to a biased system, will produce biased results' (Brouns and Addis 2004, p. 26). This is seldom a matter of deliberate attempts to actively disregard someone. Rather, it is a result of the manner in which assessors interpret quality, and of gatekeeping functions and 'old boys' networks' (Husu and Cheveigné 2010).

## 10.5 Gender Policy Meets Academia

Despite adherence to these ideal principles of assessment, academia is well aware of the gender imbalance and of the under-representation of women. But rather than accepting structural reasons for this imbalance, academia tends to attribute it to individual women and their failures. It is suggested that women have quite simply been unable to hold their own vis-à-vis men in fair competition. Currently, perceptions of women as not even having reached the starting line are widespread. In other words, it is widely believed that women have not managed to attain enough qualifications, and they are expected to drop out rather than struggle to enhance their careers. The metaphor of the 'leaking pipeline' is used to suggest that at every stage of the academic career track, a certain proportion of women leak out of the system. This is an idea that is generally taken for granted, and several arrangements have been put forth to remedy this at the individual level. 'Helping projects' are launched recurrently, but according to Christine Wennerås and Agnes Wold, the authors of the article that actually brought down the Medical Research Council in the late 1990s, 'what Sweden's female researchers need is objectivity in the filling of positions. Women don't want to be 'helped'. Women want to be treated fairly' (Wennerås and Wold 1995).

A striking example of the collision between the political and the academic logic emerged in 1995, when the then Swedish minister of research and education proposed setting up 30 positions at the highest level (full professorships), with the

possibility of resorting to affirmative action in the recruitment process, very strictly based on only small differences in terms of competence. The proposal focused on quantity at a time when the percentage of women at that level was very low: only 7%. But underlying the scheme were assumptions about the promotion of long-term efforts to change perceptions regarding central issues in science, i.e. through interventions at the structural level. It was a decision based on the belief that this was the only way of challenging ‘the corridors of power’, and it could be seen as a very effective measure if serious attempts to change the gender balance were to be taken. The legislative effort illuminated a problem that had been known for decades. Yet, academia perceived the proposition as a threat to the entire academic system, principally because the proposal’s focus on enhancing women’s careers through recourse to affirmative action ran counter to the academic community’s self-image. All in all, the proposal led to a bitter debate, with academics criticizing it for viewing sex as more important than competence (Jordansson 1999).

## 10.6 Distinctions Between Equal Opportunities and Gender Equality: An Analytical Statement

Thus far, gender equality has been used as a universal concept, and I will continue to use the term in this manner in what follows. Yet, there are reasons to make a distinction between the concept of gender equality and that of equal opportunities/equal treatment. Julia Nentwich, for instance, explores ‘how gender equality is constructed in talk and text’ (Nentwich 2006, p. 504; cf. Wullum Nielsen 2014). ‘Equal opportunities’ or ‘equal treatment’ refers to fairness vis-à-vis individuals, while the notion of gender equality refers to a broader understanding of structural and/or institutional inequalities. The latter persist due to current ways of *doing gender*, where gender, regarded as an integral and situated part of organizational practices, is said, done and performed in everyday academic life (cf. Acker 1990; Poggio 2006; West and Zimmerman 1987). The persistence of culture, practices and processes that constitute structural inequality, based on sets of values that define specific configurations of gender, brings disadvantages for women both in research and in managerial careers (Leathwood 2005). Without recognition of gendered structures and the reasons why they persist, the under-representation of women in academia tends to be explained through essentialist conceptions of ‘male’ and ‘female’. To quote Nentwich, ‘if the basic assumption of differences between women and men is not challenged, the hierarchy will remain in place’ (2006, p. 514). Discussion of the under-representation of women at different levels thus tends to focus on the differences between women and men or highlights women’s voluntary choices. Thus, under-representation is attributed to women’s lack of interest in academic careers rather than to situated social gender practices; the ‘leaking pipeline’ is said to account for the lack of women in higher positions. Women’s duties as caregivers are often brought forward as an argument in such discussions. In this way, women themselves are seen as responsible for their under-representation in the academy.

Addressing equal opportunities without awareness or recognition of systemic, institutionalized gender barriers might end up yielding only a Pyrrhic victory. It might enhance individual careers but does not alter the ‘business as usual’ behaviour, which in turn legitimizes the established order of things. Sociologist Tilly (1998) helps us see how adaptation to organizational behaviours can reproduce a durable inequality, even if an increasing number of women are given opportunities to take advantage of the system through opportunity hoarding. Paradoxically, focusing too much on equal opportunity without awareness of structural inequalities might lead to an even stronger set of traditional values. This is because those who get the opportunities might be personally interested in meritocratic gatekeeping processes, as the system demonstrates possibilities for those who show themselves to be strong enough to grab those opportunities (*ibid.*). This phenomenon became apparent when 30 full professorships were earmarked for women in the late 1990s, as mentioned earlier: female professors who had already been appointed resisted the proposal to a great extent (Jordansson 1999).

Measures for durable gender equality, then, must address academic values *per se*, as well as take into account how academic culture and meritocracy are interpreted as situated knowledge in specific academic settings. What kinds of activities are accomplished at the university, faculty and/or the department level? Are there any activities addressing the structural dimensions of gender equality at all?

When investigating measures for equal opportunity as well as proposals for ensuring gender equality in academic organizations, there must be careful consideration both of how gender equality is interpreted and how concrete tasks can be put into practice. Laws on discrimination have to be taken seriously, but if the movement for gender equality ends up as a reactive cleaning-out process rather than a proactive effort towards real change, ‘the show will go on’, and the gender-blind mode of business as usual in academic settings will continue. While ‘gender equality’ is the concept that will be deployed in what follows, I will return to the different understandings of the concept in the summary to the chapter, suggesting what outcomes are feasible, and why gender equality seems to be such a ‘mission impossible’ in academia.

## 10.7 Organizational Prerequisites in Academic Settings

Increasing marketization and severe competition between different parts of each university, as well as competition between universities at both the national and the global levels, have promoted organizational changes in academia in Sweden (*cf.* Ek *et al.* 2011). These changes have arisen not least due to changes in the distribution of economic resources, which nowadays is increasingly based on the number of publications in high-ranked journals. This phenomenon pervades the academy from the top (ministry level) to the bottom (faculty and department levels). On the whole, academic organizations are becoming more like private companies, where managers are expected to function as professional leaders. This emphasis on professional

leadership is one of the most obvious alterations in the remodelling of academic governance, and is supposed to help govern the sector in a more efficient manner (cf. Bosetti and Walker 2010).

Different universities have adapted to the new governing principles in different ways. Some more or less submit to the new public management order, while others hold on to more traditional values based on collegiality, where peers are in charge of their colleagues for a certain amount of time. Yet, independently of the kind of management, all universities are expected to meet and fulfil certain objectives in accordance with challenges and demands from the outside. In this context, in-built tensions may arise between leaders/heads and the traditional hierarchy maintained by collegiality and legitimized in positions and status based on scientific capital (Bourdieu 1988). Further, the power of department heads at the lowest level in the academic hierarchy differ from university to university. Some universities have carried autonomy through to the lowest levels, and the department head is more or less a position of responsibility, while other universities continue to have boards that make all the decisions.

One thing that is common to all the universities in this study is recent reorganization resulting in growing departments. On average, the departments in the study have 100–120 employees at different levels, composed of administrators as well as teachers, researchers and PhD students. Furthermore, in Sweden, the heads themselves can decide the amount of time designated for administration. For most of the respondents in this study, their responsibilities as heads took up 50 to 70% of their total work time, while the rest of their work time was devoted to research and/or teaching. One exception was a head, who decided to devote only 30% of total work time to fulfilling the role, stating, ‘We do not want to be professional leaders; we still want to be colleagues’. Another was supposed to work as head 50% of the time, but in fact discharged administrative duties full-time. In reality, administrative tasks take considerably more time, which presumably stretches working hours far beyond the stipulated 40 h per week in Sweden.

Such examples show the realities at work in the academic community. Being part of the research community and loyalty towards one’s colleagues are priorities, and administrative duties are often adjusted to these expectations. It could be difficult to take sides against the research community even if the head has all the right to make these decisions. It should be added that the majority of heads have assistant or deputy heads who are responsible for certain aspects of administration, such as research/graduate education. Together, these teams form executive committees.

## **10.8 Findings from the Interviews: Understandings of Gender Equality**

On the whole, the conditions for active work on gender equality are limited at the level of departments. Addressing gender imbalance is seen as something that has to be done or at least something to which attention must be paid, but it seems to be a

well-known fact that almost nothing will happen if the tasks are set aside, i.e. no legal measures will be instituted. Gender equality plans have to be drawn up every year, but sometimes heads refer to existing plans at the faculty or university level, or more self-critically they cite lack of time as a reason for non-implementation. Or, as one of the heads frankly put it: 'If they had forced me to, I would have done more'.

Another reason for this negligence could be uncertainty regarding what kinds of activities might be undertaken to facilitate gender parity. Moreover, as long as no one really asks for active engagement, and follow-ups or yearly evaluations are not carried out, the focus will be placed on different tasks that are considered more important. In combination with lack of knowledge, and indifference to 'doing gender' at different levels, the results could be counterproductive or dismissed as irrelevant, as in a statement from one of the heads: 'We have a pretty good workplace, with a balance between men and women, perhaps, even more, women than men, which could be a problem in our department'. Gender equality, then, is seen as a question concerning the lack of women, meaning that as long as women are in a majority, the question of gender equality is not relevant. Yet there was obvious uncertainty, as expressed by one of the heads: 'It is not that easy to understand what gender equality is about. Perhaps there is a need for teachers to be educated [on gender topics] as students ask for gender and gender equality'.

The meritocratic system anchors a dominant standpoint in this regard, expressed by one of the heads as follows: '[I]t's important with a balance among men and women but there has to be competence'. The meritocratic system is taken for granted, which makes it possible for almost all of the respondents to unambiguously highlight equal opportunities, often expressed in the form, 'the conditions should be equal but if women rather would not, we should not...'. The statement, an opinion shared by all of the respondents, is a reflection on the possibilities of using allocation of quotas or—the weaker option—affirmative action to redress gender imbalance. Even the head, who considers the need for gender balance as well founded, ended by saying: '[I]t's a matter of what could be looked upon as grounds of fact and to what extent one argues for it. It's not that easy, as a small university we have to make sure we choose our colleagues on equal conditions. We can't undermine the system'.

## 10.9 Gender Equality as Part of the Work Environment

The interviews indicate an obvious connection between gender equality and the work environment among the heads. The respondents share an explicit focus on the individual rather than on structural processes. Sometimes this focus is related to the supposedly weaker ability of women (compared to men) to succeed in a hard academic culture, which stresses individual struggle and the setting aside of all but one's personal career. A 'protective hand' may be extended to those (women) who are believed to be worth the investment. Even those heads who are conscious of the



overall structural patterns of inequality in society, and understand how these patterns reflect in academia, avoid taking a stand. Doing ‘business as usual’ is more convenient than starting up processes of change.

For example, all of the respondents pointed to the issue of equal pay. Wage adjustment is something very substantial that can be carried out more easily than structural change. Wage mapping is provided for by the law and has to be done regularly in accordance with wage negotiations and with assistance from the HR department. Yet, from the perspective of changing values, wage adjustment seems a rather harmless issue even if it is obviously very important from the perspective of the individual.

Some departments have one person, or maybe a group of persons, dedicated specifically to carrying out tasks related to gender equality. Mostly, these individuals have been voluntarily engaged with this kind of issue for a long time. However, even though they themselves might be seriously engaged with questions of gender equality, the rest of the department rarely supports them. In these cases, efforts to improve the gender balance seem to consist largely of decisions made by these individuals on how to build up their work and what kinds of activity to propose. The importance of management support has been pointed out in the research (e.g. Beer and Nohria 2000; Fernandez and Pitts 2007). However, one of the respondents drew a picture, probably not unique to academia, in which gender equality-related tasks were relegated to those who were engaged with these issues, and managerial support seems to have been passive: ‘It seems as if the group is still trying to find out what to do. The work is meant to generate activities but still, nothing has happened’. Sometimes, having failed to support, the group introduces activities that have not been discussed with the executive committee at the department, resulting in what one head described as a ‘very wobbly process’ with limited opportunities for follow-up.

One of the heads interviewed attributed the reluctance to allow a more stable organization of gender equality issues to the extended overhead costs involved, which, in the end, would impinge on the core activities of the department (education and research). Overall, respondents at this department considered such tasks to be the head’s responsibility, and therefore as being already ‘paid for’. At universities that are most dedicated to professional leadership, gender equality tasks have been devolved to the faculty, or to the university level where a person employed at the HR department takes responsibility for these functions. Such steps might be interpreted as facilitating efficiency through assigning what have been recognized as important tasks to experts who can devote full-time work to these issues. Sometimes this works, at least partly, as an example from one of the universities in the study shows. In this case, a lot of programmes relating to gender equality were offered, and the respondents who participated in these activities seemed to appreciate the initiatives taken. As one of them said: “[I]t puts new life into these topics. We got educated and were asked to apply the questions to our own everyday life, think about what could be put into the plan of action at our own department’. These activities had been initiated only recently and it was too early for them to be

evaluated, but the example shows how a conscious effort could perhaps be a starting point for action.

But other instances testify to the continuing vulnerability of these programmes. In the case of another university, where again a person employed in the HR department was responsible for gender equality measures, one of the respondents said, ‘I have no impression of active work. It feels as if someone is sitting somewhere and ‘knocking them’ [activity plans] out. They are active when it comes to salaries and look for experts when it comes to appointments, but that’s all’. Another respondent from the same university was even more critical:

I don’t believe this is an issue here. Once there was a discussion related to the coming wage negotiations but it was the heads that brought the question up. Further on, there was a meeting where some people were invited to talk about stereotypes. It was miserable and I believe it had to do with lack of knowledge. They invited consultants who were not competent, which is conspicuous in an organization where we have people doing research on those topics.

## 10.10 Challenging Core Activities

The main purpose of departmental activities is research and education. This is the reason why people apply for research funding and/or decide to affiliate themselves with a certain department. To a great extent, then, questions that tend to lie outside the main purpose of department activity are perceived as annoying. For example, issues relating to the work environment and related problems tend to be regarded as irrelevant. One of the respondents made this clear by a statement that really is conspicuous: ‘Activities related to work environment tend to be our most far-reaching problem of the working environment!’ This is not to say that such topics are considered irrelevant or as questions to be disposed of among colleagues, but commissions to enhance gender equality are poorly supported in everyday life. With reference to the quote in the epigraph at the beginning of this chapter, one respondent offered the following reflection: ‘[W]e have a politically correct climate, which makes it hard to raise questions of gender equality. There are radical and progressive forces but simultaneously strong gender structures. We have made some efforts but heavy processes of organizational change and economic cut-downs have taken up all the energy’.

Furthermore, the tension between collegiality and professional governance became obvious when one respondent expressed how gender equality efforts could even be looked upon as part of an increase in top-down governing. One of the respondents recognized the necessity of these efforts, but could not look away from the experienced reality:

It [gender equality] could be more directly pointed out but if so, it would probably be met by resistance. People do not want to be *told*, one has to treat one another with kid gloves and find the right driving forces. We have to respect the strong engagement most of our colleagues have for their own tasks.

Rather than scrutinizing the underlying conditions, the department heads look upon their responsibilities as taking care of the department as a whole, i.e. independent of structural patterns of gender inequality. Even if some of the heads recognize the existence of structural problems, a degree of resignation to the prevailing state of affairs is in evidence, as seen in an observation made by one of the respondents: 'Because of the patriarchal order, things seem to be more easy-going for men, while women sometimes make decisions [like the decision to take care of children and family] which might end up negative in the long run. Perhaps we could be more active and discuss values and ethical attitudes'.

A similar observation, offered by another respondent, highlights a culture in which the idea of the 'inspired genius' who needs no help from outside predominates: 'When expressions like you shouldn't rake the paths, if someone has the right spirit everything will go well, are established, great demands are required for processes of change'. This department head was quite new to the position and exhibited a willingness to work on prevailing norms and values, but the majority of the respondents, who had held their positions for several years, seemed more or less reluctant or perhaps were just tired of dealing with these tenacious structures.

A position in between these two was expressed by one head, who highlighted the importance of starting early and not focusing all the attention on the top of the ladder of success. According to this respondent, the focus on full professorships is misleading; it is more important to take care of young postdocs, those who would be full professors if they were facilitated, 'Sometimes recruitment of full professors seems to be a failure. I don't believe in going for some elderly professor, rather a younger one who might bring family with them and stay for long. The route to success depends on finding colleagues who are willing to stay'. The respondent continued: 'One has to treat the young women carefully. They are vulnerable in a position halfway between career and family'.

However, what is not taken into account in such observations is what might happen in the future. The career ladder does not look the same for everyone, and changes do not automatically follow from increasing the numbers of women in lower positions. Even if the interviews contain an underlying awareness of this possibility, substantial suggestions on how to put such questions into the practical form are not forthcoming. Lack of knowledge might explain such hesitation, and this could be addressed through education and courses on gender equality. However, as one of the respondents put it, 'If you chose a head who does not believe those questions are so bloody important, you could push him to attend as many courses as you can but nothing will change him or his opinion'. An underlying resignation is evident in the following statement by a respondent at a department where at least some of the colleagues evinced a scientific engagement with gender issues: 'We find ourselves in a treadmill of impossible change'.

## 10.11 Nature of the Tasks

The lack of women in leading positions is emphasized in these interviews. From the point of view of equal treatment, the underlying issues here involve having the same rights of access to positions and a focus on representative fairness. But some of the heads interviewed pinpointed the difficulties of being the sole women in groups dominated by men. They emphasized problems like not being regarded on equal terms within the group, and/or not being looked upon as professional and competent persons, but rather, at worst, simply as ‘tokens’ or representatives of their sex (cf. Moss Kanter 1993). The expression of such experiences could indicate recognition of the difficulty of being a woman in this position, and deciding that as a woman it would be better not to make an effort to be part of the group. On the other hand, such complaints might also index the belief that more women should enter the academy so as to break through the glass ceiling and enable the composition of groups of women. This would have the consequence of giving women the status of individuals rather than viewing them solely as representatives of their sex. But perhaps matters are not as simple as that. From a gender equality perspective, encouraging women to strive for positions as directors of studies, heads or deans might be counterproductive, in that women in leadership positions would get stuck in administrative tasks, preventing them from engaging in further scientific work. While their work for the department might give them credit, in the academic community such endeavours do not really carry weight. Indeed, working in these positions could backfire because the women would have no time for research, and this might even lead to an ending of their careers. One of the heads, cited previously, was fully aware of this dilemma when she decided to keep 50% of her working hours for research—a decision that was made at the cost of what could be regarded as a reasonable workload. A male head expressed the same dilemma as follows:

I advise against younger persons for assignments as managers. It will be hell, as they will still go on as usual. More than six years is bad for the career. It might look good on paper but as long as they are in an academic career it is not so good being a manager.

Here, even young males are included in the advice, which makes sense in a society where highly educated young men struggle to achieve a work–life balance.

On an organizational level, there have been breakthroughs in enhancing the number of women professors during the last few decades. Besides the 30 full professorships established in the 1990s, specific goals for recruitment have been set up by the Swedish Department of Education, for the first time in 1997–1999 and thereafter in 2001–2004 and 2005–2008. After a hiatus, these goals were once again promoted in 2012 and, by the end of 2015, 47% of recruited professors were expected to be women. The goals have been adjusted to the specific prerequisites of the universities, but on the whole, they have to—or are expected to—act on these objectives.

Some universities do have plans for action, while others do not; the universities which are part of this study belong to the latter category. When administrators at the university level are passive, one cannot expect much from the levels below. As long as there are no extra resources forthcoming from the university or the faculty, the departments have to economize based on what is available. Their hands are almost literally tied, as the existing resources do not cover any extra activities at all. As one of the heads explained it: '[A] full professor is expected to do research at least part of the time but the department can't pay for it. He or she has to put in external money, i.e. pay for his/her own salary'.

The national recruitment goals could have been seen as a push factor, but none of the heads even mentioned it, and some of them did not even seem to be aware of their existence.

## 10.12 Summary

As discussed in the preceding sections, the interviews capture built-in tensions between managerial governance and academic collegiality. This indicates that department heads are often trapped between their compulsory tasks as managers and loyalty to values and practices deeply rooted in the academic culture. As one of the respondents puts it: 'Other things than gender equality have to be prioritized. Rough demands of effectiveness, being economical with resources, and excellent research based on external funds come to the forefront and that is what we have to focus on'. In other words, these are the core activities legitimized by the academic community that heads must concentrate on. While there is no obvious contradiction between the two sets of imperatives, as one of the respondents expressed it, 'The difficult thing is that in the short term different tasks will be pitted against one another'.

Management in academia is hard enough, which makes it more or less legitimate to put what is regarded as irrelevant or less important aside. The exercise of authority, which includes debriefing, may be set aside when it comes to certain tasks, and this is certainly valid for tasks defined as lying outside the core activity. The following conclusion, which seems to be true for everyone, was drawn by one of the respondents: 'There are an awful lot of things to do and we can't manage all of them faultlessly. One has to prioritize among tasks one believes are important and hope that no one reports things that will not be done'.

Although the study relies on experiences from different universities with different degrees of adjustment to the new public management system, there are similarities in their practices, which can be interpreted as an outcome of a predominant set of academic values. Most of the respondents are more or less aware of the structural dimensions of their work environment, and they do recognize the durability of gender inequality in the academic community. But to a high degree, they individualize the problem by focusing on the more obvious difficulties faced by women in reaching positions at the higher levels. In terms of the distinction

between equal treatment and gender equality that I made previously, the focus of the respondents is on equal treatment. They emphasize women's right to move upwards and to be treated as equals, but they believe that the scope of possibility for these rights is limited. Some of them—for example, those who have their own research groups—try to place young women in favourable positions when there are options for doing so. But as heads or administrative managers, their opportunities to act in sync with research groups are limited. And, even if almost everyone confirms the importance of equal treatment, the tasks themselves are perceived as being of secondary importance. It appears to be hard to institute proactive measures, and what remains is more or less individual support in certain situations. Recurrent economic cutbacks make it even more difficult to foreground the gender issue, and independently of whatever strong will exists to put these tasks on the agenda, most heads back down in the face of short-term realities. Change is believed to happen by more or less automatic control, while core tasks have to be prioritized.

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# Chapter 11

## Attractive Values Across Sectors in Sweden and India

### 11.1 Introduction

In Chaps. 6–9, we described how managers perceive the expressions of values of CSR and EO in their organizations in four sectors in India and Sweden. This was the first step in the applied analytic approach to explore the multifaceted cultural aspects outlined in Chap. 4. In this chapter, we will continue the analytic exploration as follows. Section 11.2 examines whether the expressions of values are shared between managers in the same organization. In Sect. 11.3, we will examine the impact of CSR and EO practices on managers' perceptions of workplace attractiveness and performance. Section 11.4 addresses the impact of nation, sector, organization and gender context on how CSR and EO are perceived. In Sect. 11.5, we examine whether the impact of CSR and EO on managers' perceptions of workplace attractiveness and performance is applicable to different cultural contexts contingent on country and sector.

### 11.2 Are Perceptions of CSR and EO Shared Between Managers in the Same Organization?

Are the perceptions of CSR and EO reported by managers in response to the questionnaire really reflections of cultural phenomena within these organizations? A precondition for regarding such perceptions as cultural reflections is that the perception of CSR and EO practices must be shared among the members of these organizations. Another way of emphasizing this cultural quality is to say that managers within an organization need to have similar perceptions of value expressions, while managers across different organizations have dissimilar perceptions of such value expressions.



To explore the sharedness of value expressions, we set up an analysis where we decomposed the variation in the managers' perceptions into two parts: one part reflected the variation *within* organizations, and the other part reflected variation *between* organizations (Hox 2010). We performed these analyses using the multi-level analysis software MLwiN (Rasbash et al. 2010). For each outcome variable, we estimated two models. Both were 'empty' models, i.e. models with an intercept but no predictor. The first model was a one-level model estimating the variance in the outcome variable. The second model was a two-level model, which made the intercept a random variable, i.e. the intercept was allowed to take different numerical values in each organization. This two-level model decomposed the variation in the outcome variables into variance *between* organizations (level 2) and variance *within* organizations (level 1). We calculated the intraclass correlation (ICC[1,1]; see Shrout and Fleiss 1979) as the proportion of total variance that was due to variation between organizations.

In order to test if the variance component at level 2 was significantly different from 0, we also calculated the difference in model fit (log likelihood) for the first and second models. This data was evaluated according to the chi-square distribution with one degree of freedom and  $p < 0.05$ .

The variables which measured expressions of organizational values, operationalized as managers' perceptions of CSR and EO practices, included three facets of CSR: CSR\_care (caring for employees), CSR\_dev (supporting employees' development) and CSR\_ext2 (the organizations' responsibilities towards future generations and the society); and three facets of EO: EO\_rel (informal relations), EO\_quant (quantitative vertical division of labour) and EO\_form (formal procedures and relations of power). Furthermore, we analysed the five single items indicating different aspects of external CSR. These variables are further described in Table 11.1.

Table 11.2 shows the results for the Indian and Swedish samples. A significant part of the variation in both country samples in all six facets of CSR and EO could be attributed to the organizational level. For the single items, all but one showed significant variation at the organizational level. The single item targeting customers' rights (CSR12) did not show a significant variation between Swedish organizations.

For most variables, the amount of organizational-level variation was higher in the Indian sample (11–26%) compared to the Swedish sample (2–34%). This was mainly due to a greater variance between organizations in the Indian sample, reflecting greater differences between the Indian organizations (as seen in the previous sector-wise analyses). However, the variations within organizations were mostly slightly higher in the Swedish organizations than in the Indian organizations. Thus, organizations in Sweden were in most instances more similar to each other as compared to Indian organizations. There were two exceptions: Swedish organizations were more dissimilar with regard to applying quantitative equal

**Table 11.1** Variables measuring perceptions of CSR and EO practices in the organization

Variable	Description	Sample item
<i>Scales</i>		
CSR_care	Caring for employees	I work in an organization which takes social responsibility for its employees
CSR_dev	Supporting employees' development	Our organization supports employees who want to acquire additional education
CSR_ext2	Organization's responsibilities for future generations and the society	Our organization targets sustainable growth which considers future generations
EO_rel	EO in informal relations	I work in an organization in which men and women are equally respected
EO_quant	Equal quantitative representation in vertical division of labour	I work in an organization which in a trustworthy way strives for men's and women's equal representation in managerial positions
EO_form	EO in formal procedures and relations of power	I work in an organization which in a trustworthy way strives for men's and women's equal opportunities for job advancement
<i>Single items</i>		
CSR8	Responsibilities towards future generations, investments	Our organization makes an investment in creating a better life for future generations
CSR9	Responsibilities towards future generations, targets sustainable growth	Our organization targets sustainable growth which considers future generations
CSR10	Responsibilities towards society, supports NGOs	Our organization supports non-governmental organizations which work on social issues
CSR11	Emphasizes the importance of its responsibilities	Our organization emphasizes the importance of its social responsibilities for the welfare of society
CSR12	Responsibilities towards customers/students/patients	Our organization respects customers'/ students'/patients' rights beyond the legal requirements

representation of men and women in positions of power (EO\_quant), and also more dissimilar with regard to applying CSR by means of supporting NGOs (CSR10).

In conclusion, managers in the same organization had shared perceptions of almost all the value expressions studied here. This indicates that the managers' reports of CSR and EO involve cultural expressions, reflecting differences between the organizations in practices and processes. This also implies that, for most variables, it is meaningful to aggregate value expressions to the organizational level.

**Table 11.2** Variance components for six variables measuring perceptions of CSR and EO practices in the organization and five single items measuring specific aspects of CSR

	India				Sweden			
	Variance	Variance	Variance		Variance	Variance	Variance	
	L1	L2	Total	ICC1 (%)	L1	L2	Total	ICC1 (%)
CSR_care	0.650	0.223	0.873	26	0.832	0.116	0.948	12
CSR_dev	0.678	0.210	0.888	24	0.741	0.106	0.847	13
CSR_ext2	0.596	0.188	0.784	24	0.912	0.102	1.014	10
EO_rel	0.703	0.179	0.882	20	0.737	0.038	0.775	5
EO_quant	0.716	0.089	0.805	11	0.922	0.177	1.099	16
EO_form	0.678	0.128	0.806	16	0.810	0.031	0.841	4
CSR8	0.768	0.186	0.954	19	0.866	0.111	0.977	11
CSR9	0.683	0.144	0.827	17	0.861	0.167	1.028	16
CSR10	0.501	0.125	0.626	20	0.753	0.382	1.135	34
CSR11	0.627	0.198	0.825	24	0.954	0.052	1.006	5
CSR12	0.975	0.130	1.105	12	0.771	0.017 <sup>a</sup>	0.788	2

All statistics calculated excluding observations from three extreme organizations. See Chap. 5

<sup>a</sup>Variance component not significantly different from 0

Variable labels: *CSR\_care* Caring for employees; *CSR\_dev* supporting employees’ development; *CSR\_ext2* Targets the organization’s responsibilities towards future generations and takes responsibility for the society; *EO\_rel* EO in informal relations; *EO\_quant* Equal quantitative representation in vertical division of labour; *EO\_form* EO in formal procedures and relations of power; *CSR8-FG-invest* Responsibilities towards future generations, makes investments; *CSR9-FG-targets* Responsibilities towards future generations, targets sustainable growth; *CSR10-SO-NGO* Responsibilities towards the society, supports NGOs; *CSR11-SO-resp* Emphasizes the importance of social responsibilities; *CSR12-customers* Responsibilities with regard to customers’ rights

### 11.3 Exploring the Impact of CSR and EO Practices on Managers’ Perceptions of Workplace Attractiveness and Performance

In this section, we explore whether the perceptions of CSR and EO practices are related to managers’ perceptions of workplace attractiveness (commitment to the organization and intention to leave) and performance (perceived effectiveness). We report below two types of analysis: bivariate correlation and multilevel regression analysis.

#### 11.3.1 Bivariate Correlations

Initially, we calculated bivariate correlations between managers’ perceptions of organizational practices and the variables reflecting workplace attractiveness and

organizational performance. Table 11.3 shows the bivariate correlations, based on individual reports as well as organizational aggregated data, between six CSR and EO variables and three outcome variables. All individual-level correlations were significant and in the expected direction. The three CSR variables, as well as the three gender equality variables, showed positive correlation with commitment to the organization, negative correlation with intention to leave and positive correlation with effectiveness. The lowest magnitudes, although still significant, were observed for CSR\_ext and EO\_quant associations with all three outcome variables. The highest magnitude was observed for the CSR\_care association with organizational commitment.

All but two organizational-level correlations were significant and in the expected direction. The exceptions were the associations between CSR\_ext2 on the one hand, and organizational commitment and intention to leave on the other, that were close to 0. Otherwise, the magnitude of the organizational-level correlations was generally higher than the individual-level correlations.

### ***11.3.2 Multilevel Regression Analysis***

To determine the impact of shared value expressions and the individual manager's unique perception of value expressions, respectively, on managers' perceptions of workplace attractiveness and performance, we split each individual CSR or EO observation into two components. The first component was the average rating of the reporting managers in the organization (organizational-level score, level 2). The second component was the deviation of the individual observation from the organizational average (individual deviation score, level 1). Thus, each individual observation could be expressed as the sum of these two components.

These component variables were included as predictors into multilevel regression models with organizational commitment, intention to leave and perceived effectiveness as outcome variables. Table 11.4 shows the estimated regression coefficients, the variance estimates and the amount of variation that was accounted for by each CSR or EO variable at the organizational level (level 2) and individual level (level 1), respectively.

Models 1a, 1b and 1c are 'empty' models, i.e. models including only a random intercept, but no other predictors. These models decompose the variation in the outcome variables into variance between the organizations (level 2) and variance within the organizations (level 1). The amount of variation at level 2 was 20% for organizational commitment (Model 1a), 22% for intention to leave (Model 1b) and 13% for perceived effectiveness (Model 1c). Thus, a substantial part of the variation in attractiveness and organizational performance could be attributed to factors common to the organization as a whole, such as cultural values and shared practices. These three models were used as baseline models in order to evaluate the variance reduction at each level when the CSR and EO predictors were introduced in the subsequent models.

**Table 11.3** Bivariate correlations, means and standard deviations for study variables at individual and organizational levels

	Org. commit	Int. leave	Effectiveness	CSR_care	CSR_dev	CSR_ext2	EO_rel	EO_quant	EO_form	M (org. level)	SD (org. level)
Org. commit.										3.79	0.40
Int.leave	-0.558***									2.20	0.51
Effective	0.361***	-0.324***								5.54	0.43
CSR_care	0.467***	-0.429***	0.361***							3.80	0.44
CSR_dev	0.419***	-0.411***	0.327***	0.587***						3.91	0.43
CSR_ext2	0.196***	-0.127***	0.217***	0.353***	0.305***					3.46	0.45
EO_rel	0.421***	-0.383***	0.341***	0.432***	0.400***	0.243***				4.11	0.41
EO_quant	0.264***	-0.199***	0.197***	0.302***	0.278***	0.232***	0.425***			3.55	0.47
EO_form	0.392***	-0.372***	0.293***	0.411***	0.380***	0.205***	0.712***	0.561***		4.04	0.41
M (ind. level)	3.82	2.12	5.55	3.80	3.93	3.40	4.12	3.56	4.07		
SD (ind level)	0.75	0.92	0.87	0.81	0.78	0.87	0.82	1.02	0.85		

All statistics calculated excluding observations from three extreme organizations (see Chap. 5). Scale range for variables were 1–5, except for effective which had a scale range 1–7. Correlations based on individual observations are presented below the diagonal ( $n = 916-932$ ). Correlations based on aggregated observations (organizational level) are presented above the diagonal ( $n = 74$ ). Variable labels: *CSR\_care* Caring for employees; *CSR\_dev* Supporting employees' development; *CSR\_ext2* Targets the organization's responsibilities towards future generations and towards the society; *EO\_rel* EO in informal relations; *EO\_quant* Equal quantitative representation in vertical division of labour; *EO\_form* EO in formal procedures and relations of power

\* $p < 0.05$

\*\* $p < 0.01$

\*\*\* $p < 0.001$

**Table 11.4** Fixed effects estimates and variance estimates for multilevel regression models of CSR and EO practices predicting: (a) organizational commitment; (b) intention to leave; and (c) perceived effectiveness

	Organizational commitment			Intention to leave			Perceived effectiveness		
	Estimate	S.E.	Var. reduction (%)	Estimate	S.E.	Var. reduction (%)	Estimate	S.E.	Var. reduction (%)
<i>Model 1a</i>									
<b>Fixed parameters</b>									
Intercept	0.017	0.059		0.032	0.062		-0.018	0.054	
<b>Random parameters</b>									
L2 Intercept	0.187	0.042		0.215	0.047		0.134	0.035	
L1 Intercept	0.737	0.036		0.743	0.036		0.871	0.042	
<i>Model 2a</i>									
<b>Fixed parameters</b>									
Intercept	0.023	0.041		0.029	0.051		-0.018	0.041	
CSR_care_L2	0.718***	0.083		-0.606***	0.102		0.572***	0.084	
CSR_care_L1	0.385***	0.031		-0.384***	0.031		0.318***	0.035	
<b>Random parameters</b>									
L2 Intercept	0.066	0.02	65	0.134	0.032	38	0.053	0.020	60
L1 Intercept	0.627	0.03	15	0.633	0.031	15	0.798	0.039	8
<i>Model 3a</i>									
<b>Fixed parameters</b>									
Intercept	0.037	0.043		0.005	0.045		-0.009	0.046	
CSR_dev_L2	0.686***	0.086		-0.724***	0.09		0.474***	0.092	
CSR_dev_L1	0.339***	0.033		-0.322***	0.034		0.309***	0.037	

(continued)

Table 11.4 (continued)

	Organizational commitment			Intention to leave			Perceived effectiveness		
	Estimate	S.E.	Var. reduction (%)	Estimate	S.E.	Var. reduction (%)	Estimate	S.E.	Var. reduction (%)
<b>Random parameters</b>									
L2 Intercept	0.075	0.022	60	0.090	0.025	58	0.08	0.025	40
L1 Intercept	0.657	0.032	11	0.672	0.033	10	0.805	0.039	8
<i>Model 4a</i>									
<b>Fixed parameters</b>									
Intercept	0.015	0.059		0.033	0.062		-0.029	0.052	
CSR_ext2_L2	0.015	0.116		0.012	0.123		0.258*	0.103	
CSR_ext2_L1	0.278***	0.032		-0.199***	0.033		0.225***	0.035	
<b>Random parameters</b>									
L2 Intercept	0.193	0.042	0	0.218	0.047	0	0.123	0.033	8
L1 Intercept	0.677	0.033	8	0.713	0.035	4	0.83	0.04	5
<i>Model 5a</i>									
<b>Fixed parameters</b>									
Intercept	0.028	0.046		0.018	0.049		-0.011	0.041	
EO_rel_L2	0.722***	0.102		-0.753***	0.109		0.656***	0.094	
EO_rel_L1	0.373***	0.032		-0.323***	0.033		0.303***	0.036	
<b>Random parameters</b>									
L2 Intercept	0.096	0.025	49	0.114	0.029	47	0.054	0.02	60
L1 Intercept	0.635	0.031	14	0.666	0.032	10	0.806	0.039	7
<i>Model 6a</i>									
<i>Model 6b</i>									
<i>Model 6c</i>									

(continued)

Table 11.4 (continued)

	Organizational commitment			Intention to leave			Perceived effectiveness		
	Estimate	S.E.	Var. reduction (%)	Estimate	S.E.	Var. reduction (%)	Estimate	S.E.	Var. reduction (%)
<b>Fixed parameters</b>									
Intercept	0.019	0.054		0.029	0.058		-0.017	0.05	
EO_quant_L2	0.440***	0.12		-0.438***	0.129		0.384***	0.111	
EO_quant_L1	0.208***	0.031		-0.133***	0.032		0.162***	0.035	
<b>Random parameters</b>									
L2 Intercept	0.149	0.035	20	0.179	0.041	17	0.105	0.03	22
L1 Intercept	0.702	0.034	5	0.726	0.035	2	0.852	0.041	2
	<i>Model 7a</i>			<i>Model 7b</i>			<i>Model 7c</i>		
<b>Fixed parameters</b>									
Intercept	0.042	0.04		0.000	0.045		-0.006	0.045	
EO_form_L2	0.831***	0.091		-0.841***	0.101		0.569***	0.103	
EO_form_L1	0.294***	0.032		-0.273***	0.033		0.258***	0.036	
<b>Random parameters</b>									
L2 Intercept	0.056	0.019	70	0.084	0.024	61	0.076	0.024	43
L1 Intercept	0.673	0.033	9	0.684	0.033	8	0.823	0.04	6

Each model has one CSR or EO predictor at two levels—L2 organizational average; L1 individual deviation from organizational average  
 All statistics calculated excluding observations from three extreme organizations (see Chap. 5). All variables were standardized prior to analysis. S.E. Standard error of parameter estimate. Var. reduction Reduction of variance compared to Model 1. Variable labels: *CSR\_care* Caring for employees; *CSR\_dev* Supporting employees' development; *CSR\_ext2* Targets the organization's responsibilities towards future generations and towards the society; *EO\_rel* EO in informal relations; *EO\_quant* Equal quantitative representation in vertical division of labour; *EO\_form* EO in formal procedures and relations of power  
 \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$



Thereafter, models were set up for each combination of the six CSR and EO predictors and the three outcomes, in all 18 models (Model 2a to Model 7c).

The individual deviation score accounts for the variation in the CSR or EO variable for each manager within the organization. For this individual-level component, all facets of CSR and EO were significantly related to organizational commitment, intention to leave and perceived effectiveness. For all three outcome variables, CSR\_care showed the strongest relationship and EO\_quant showed the weakest relationship.

It is essential to say that this level 1 component should not be seen as solely individual, in the sense that it accounts for characteristics specific to the individual manager (for example, differences in expectations on the organization concerning CSR and EO, which could bias the perceptual ratings). Besides 'true' individual characteristics, this component also accounts for local contextual variation within the organization, for example, different practices and procedures used in different departments, resulting in variations in perceptions of CSR and EO among managers belonging to the same organization. This component also comprises unsystematic variation due to unreliability in the measurement procedure, i.e. measurement error. It is not possible to decompose the variation at level 1 further within the present design.

At the organizational level, CSR\_care, CSR\_dev, EO\_rel, EO\_quant and EO\_form were positively related to organizational commitment and negatively related to intention to leave. However, CSR\_ext2 at level 2 was not related to these outcomes. All CSR and EO predictors were related to perceived effectiveness. The highest regression coefficients were observed for EO\_form, predicting organizational commitment as well as intention to leave. EO\_rel showed the strongest relationship with perceived effectiveness. The weakest relations were recorded for CSR\_ext2 with respect to all outcomes. Organization-level predictors showed in most instances stronger relations than individual-level predictors. This may indicate that the main mechanism for the impact of CSR and EO on attractiveness and performance is cultural rather than individual/local in nature.

The amount of variation explained by the CSR and EO predictors at each level was calculated for each model in relation to Model 1 (variance reduction in Table 11.4). At level 1 the variance reduction in the outcome variable was between 2 and 15%, and at level 2 between 0 and 70%. Thus, the variance reduction in most instances was considerably higher for level 2 compared to level 1. This implies that a considerable amount of the variation between organizations in terms of attractiveness and performance could be attributed to CSR and EO.

We also calculated how much each CSR and EO predictor contributed in total (level 1 and level 2 together) to the variation in each individual outcome variable. The amount of variation in individual outcomes explained by variables at level 1 and level 2 was between 3 and 25%.

It is important to emphasize that the explained variation from each CSR and EO variable cannot be summed up to a total explained variation. In fact, doing so would render a share far beyond 100%. This is because the CSR and EO variables share a substantial part of the variation with each other, especially on the organizational

level (see Table 11.2). For example, an organization scoring high on facets of CSR could also be expected to score high on facets of EO.

Thus, the CSR and EO variables are far from independent predictors of attraction and performance; in fact, to a large extent, they predict the same variation in the outcome. Therefore, in order to explore the relative importance of each variable, additional multilevel regression models were set up, including all six CSR and EO variables as predictors (decomposed into organizational and individual components, in all 12 predictors). One model was set up for each outcome variable. In a second step, control variables were introduced. These were: manager's gender, age, education, years in the organization, years as a manager and the gender of the manager's immediate supervisor. The regression coefficients are not reported in this book, but the results are summarized below.

- Organizational commitment was predicted by CSR\_care (L2 and L1), CSR\_dev (L2 and L1), EO\_form (L2), EO\_rel (L1) and CSR\_ext2 (L2). The model explained 83% of the level 2 variation and 23% of the level 1 variation in organizational commitment. Introducing the control variables did not change the significance of the predictors.
- Intention to leave was predicted (with negative regression coefficients) by CSR\_care (L1), CSR\_dev (L2 and L1), EO\_form (L2) and EO\_rel (L1). The model explained 72% of the level 2 variation and 20% of the level 1 variation in intention to leave. Introducing the control variables did not change the significance of the predictors.
- Perceived effectiveness was predicted by CSR\_care (L2 and L1), EO\_rel (L2 and L1) and CSR\_dev (L1). The model together explained 75% of the level 2 variation and 13% of the level 1 variation in intention to leave. Introducing the control variables lowered the estimate for CSR\_care L2 slightly so that it was no longer significant. Otherwise, the results were not affected.

Note that neither L1 nor L2 EO\_quant was a significant predictor of any outcome variable under control of the other variables. This may indicate that EO\_quant has an indirect relationship to attractiveness and performance, mediated by EO\_rel and EO form.

## **11.4 Exploring the Impact of National, Sectoral, Organizational and Gender Contexts on How CSR and EO Are Perceived**

### ***11.4.1 National and Sectoral Context***

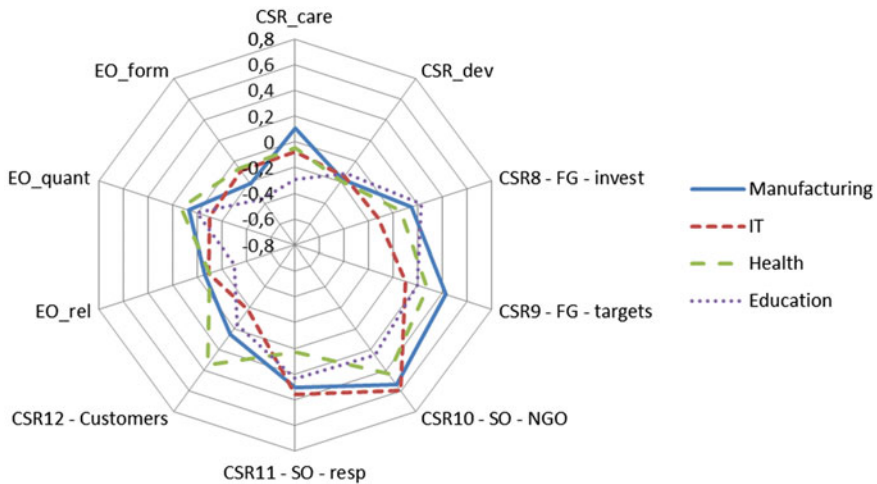
Differences between nations and sectors were tested with a two-way ANOVA (country  $\times$  sector) for each CSR and EO variable, including the single-item variables for external CSR. Together, nation and sector explained from 1.7 to 8.5% of

the variation in all CSR and EO variables, except one. The major part of this variation was due to the nation. The notable exception was the single item CSR10 (society—supports NGOs), where 25.8% of the variation was due to nation and sector.

There were significant differences between the two nations for all CSR and EO variables except EO\_quant and the single item CSR12 (customers' rights). Swedish managers reported higher scores in their perceptions of CSR\_care, CSR\_dev, EO\_rel and EO\_form, while Indian managers reported higher ratings of CSR\_ext2 and the single items CSR8, CSR9, CSR10 and CSR11. Thus, the Swedish managers perceived greater expressions of internal CSR, i.e. the organization taking responsibility for employees, and greater expressions of EO. The Indian managers, on the other hand, perceived greater expressions of external CSR, i.e. the organization taking responsibility for society. The manufacturing sector showed smaller nation-based differences than other sectors. For example, the average score of CSR\_care and the CSR item 'customers' rights' was practically the same for India and Sweden in the manufacturing sector.

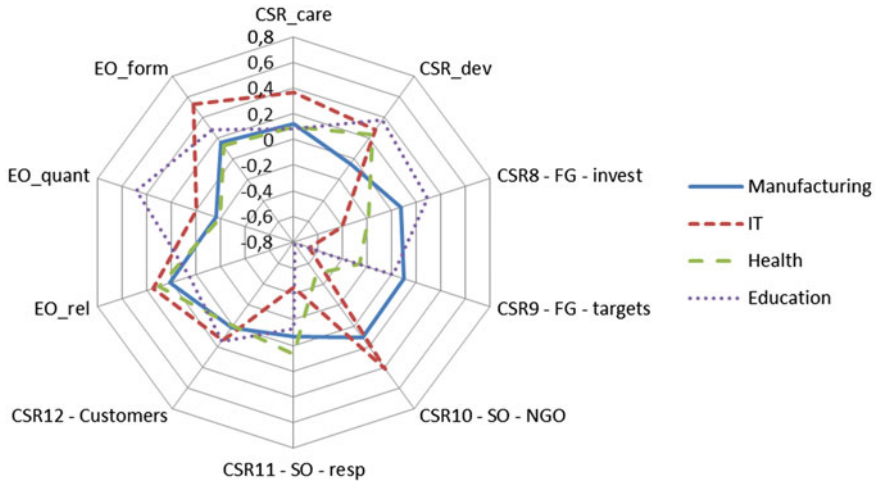
There were also significant differences between the sectors for all CSR and EO variables. But these differences were, with some exceptions, of a smaller magnitude than those between nations. For several CSR and EO variables, differences between sectors were more salient in Sweden than in India. Furthermore, differences between sectors showed in most instances a different profile in India and Sweden. Figure 11.1 shows managers' perceptions of CSR and EO practices in four sectors in India. Figure 11.2 shows managers' perceptions of CSR and EO practices in four sectors in Sweden. The following significant differences between sectors were observed in India and Sweden, respectively:

- CSR\_care (caring for employees). India: Manufacturing had the highest score and education the lowest score. Sweden: There were no significant differences between sectors.
- CSR\_dev (employees' development). India: There were no significant differences between the sectors. Sweden: Manufacturing had a lower score than the other sectors.
- CSR\_ext2 (external perspective on CSR). India: There were no significant differences between the sectors. Sweden: IT had a lower score than all the other sectors.
- CSR8 (future generations—investment in creating a better life for future generations). India: There were no significant differences between sectors. Sweden: IT had a lower score than manufacturing and education, even though the difference was not statistically significant. The IT sector had a somewhat lower score than other sectors in India as well, and the profiles of sector differences were very similar across nations.
- CSR9 (future generations—targets sustainable growth). India: There were no significant differences between the sectors. Sweden: IT had a lower score than all other sectors.



**Fig. 11.1** Managers’ perceptions of CSR and EO practices in four sectors in India. Variable labels: *CSR\_care* Caring for employees; *CSR\_dev* supporting employees’ development; *CSR8-FG-invest* Responsibilities towards future generations, makes investments; *CSR9-FG-targets* Responsibilities towards future generations, targets sustainable growth; *CSR10-SO-NGO* Responsibilities towards the society, supports NGOs; *CSR11-SO-resp* Emphasizes the importance of its responsibilities towards the society; *CSR-customers* Responsibilities with regard to customers’ rights; *EO\_rel* EO in informal relations; *EO\_quant* Equal quantitative representation in vertical division of labour; *EO\_form* EO in formal procedures and relations of power

- **CSR10 (society—supports NGOs).** India: Education had a lower score than manufacturing and IT. Sweden: Education and health had lower scores than manufacturing and IT. This variable had considerably higher variation between sectors than any other CSR and EO variables. This was mainly due to the great differences between the sectors in the Swedish sample. Note that the IT sector had the highest scores and education the lowest scores in both nations.
- **CSR11 (society—emphasizes the importance of social responsibilities).** India: There were no significant differences between the sectors. Sweden: IT had lower scores than manufacturing and healthcare.
- **CSR12 (customers’ rights).** India: IT had the lowest score and health the highest. Sweden: There were no significant differences between the sectors (neither was there a significant difference between Swedish organizations as reported in Sect. 11.2).
- **EO\_rel (informal relations).** India: There were no significant differences between the sectors. Sweden: Education had a lower score than other sectors, even though the difference was not statistically significant. Education had a somewhat lower score than the other sectors in India as well, and the profiles for sector differences were similar across nations.

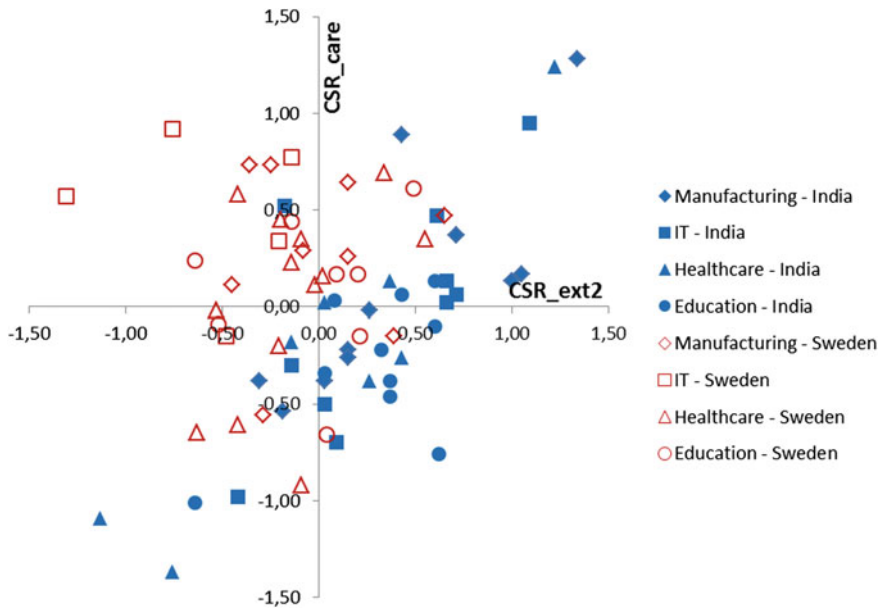


**Fig. 11.2** Managers' perceptions of CSR and EO practices in four sectors in Sweden. Variable labels: *CSR\_care* Caring for employees; *CSR\_dev* Supporting employees' development; *CSR8-FG-invest* Responsibilities towards future generations, makes investments; *CSR9-FG-targets* Responsibilities towards future generations, targets sustainable growth; *CSR10-SO-NGO* Responsibilities towards the society, supports NGOs; *CSR11-SO-resp* Emphasizes the importance of its responsibilities towards the society; *CSR-customers* Responsibilities with regard to customers' rights; *EO\_rel* EO in informal relations; *EO\_quant* Equal quantitative representation in vertical division of labour and relations of power

- *EO\_quant* (quantitative vertical division of labour). India: There were no significant differences between the sectors. Sweden: Education had a higher score than all other sectors.
- *EO\_form* (formal procedures and relations of power). India: There were no significant differences between the sectors. Sweden: IT had higher scores than other sectors.

### 11.4.2 Organizational Context

As we saw in the previous section, the organizational context explained a high degree of the variation in the CSR and EO variables, especially in India. Figure 11.3 shows the scores for the Indian and Swedish organizations in all sectors on external CSR (*CSR\_ext2*, two-item definition, see Chap. 5) and internal CSR (caring for employees). Figure 11.4 shows the scores for Indian and Swedish organizations in all sectors on two dimensions of EO: formal aspects of EO and quantitative aspects of EO.



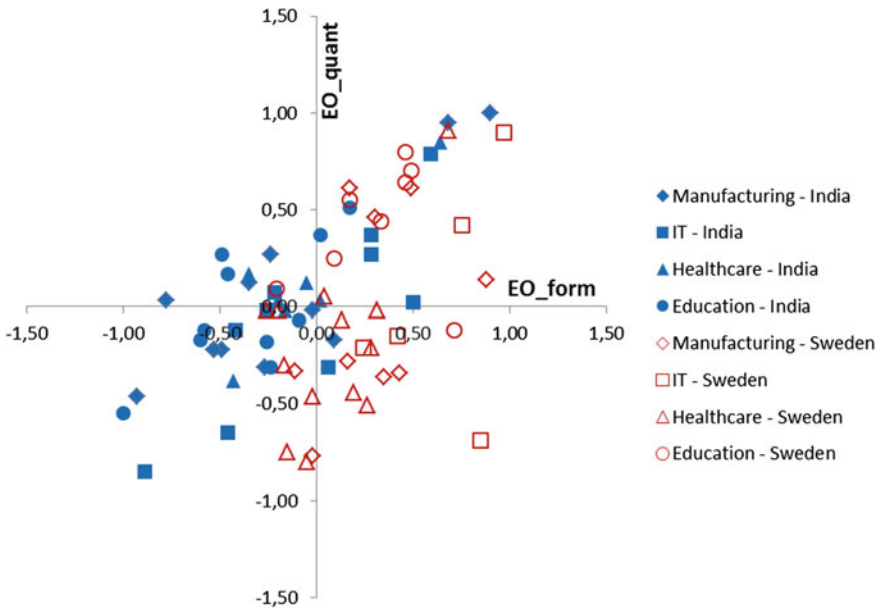
**Fig. 11.3** Ratings of CSR for 42 Indian and 35 Swedish organizations in four sectors. Two Indian manufacturing organizations' positions coincide at the point (0.71, 0.37). Two Indian healthcare organizations at the points (-1.38, -1.72) and (-1.27, -1.96) are not shown in the diagram. The *horizontal axis* (*CSR\_ext2*) represents CSR with an external perspective: targets the organization's responsibilities towards future generations and responsibilities towards the society. The *vertical axis* (*CSR\_care*) represents CSR with an internal perspective: caring for employees

The Indian organizations were more dissimilar than the Swedish organizations, especially when we look at them sector-wise. As we saw in the previous section, the Swedish organizations showed more prominent differences across sectors but smaller differences between organizations within sectors.

### 11.4.3 Gender Context

From the organizational interviews, we collected the following contextual gender variables:

- Proportion of women in the organization. The proportion was higher in the Swedish organizations ( $M = 54\%$ ) than in the Indian organizations ( $M = 36\%$ ) ( $p < 0.01$ ).
- Proportion of women among managers. The proportion was higher in Swedish organizations ( $M = 47\%$ ) than in Indian organizations ( $M = 27\%$ ) ( $p < 0.01$ ).
- Proportion of women in the top management team. The proportion was higher in Swedish organizations ( $M = 42\%$ ) than in Indian organizations ( $M = 22\%$ ) ( $p < 0.001$ ).



**Fig. 11.4** Ratings of EO for 42 Indian and 35 Swedish organizations in four sectors. Two Indian manufacturing organizations’ positions coincide at the point (−0.53, −0.22). Three Indian healthcare organizations at the points (−2.17, −1.23), (−1.95, −0.6) and (−1.77, −1.18) are not shown in the diagram. The *horizontal axis* (*EO\_form*) represents EO in formal procedures and relations of power. The *vertical axis* (*EO\_quant*) represents equal quantitative representation in vertical division of labour

- Highest manager’s sex. Among the Indian organizations, 16% had a woman as the top manager, while 26% of the Swedish organizations had a woman as the top manager (the difference was not statistically significant).

We calculated bivariate correlations between these contextual gender variables regarding the proportion of women and each aggregated CSR and EO variable separately for the Indian and Swedish organization-level samples. In the India sample, we found no significant correlation between any of these variables. Thus, in the Indian organizations, the gendered context did not influence how CSR and EO were perceived.

However, in the Swedish sample, we found two significant correlations. First, there was a positive correlation between the proportion of women in the top management team and managers’ perceptions of gender equality (quantitative vertical division of labour) ( $r [35] = 0.39; p < 0.05$ ). Thus, in organizations with a higher percentage of women in the management team, managers perceived a greater emphasis on quantitative equal vertical division of labour as a means of attaining gender equality.

Second, there was a negative correlation between the proportion of women in the organization and managers’ perceptions of gender equality (formal procedures and

relations of power) ( $r [35] = -0.38; p < 0.05$ ). Thus, in organizations with a higher percentage of women, there was less emphasis on gender equality in formal procedures.

Third, we calculated the difference between organizations where the highest manager was a man or a woman, for each aggregated CSR and EO variable. The result showed no differences among the Indian or Swedish organizations. Thus, whether the top manager was a man or a woman does not seem to have had something to do with how CSR and EO were perceived in the organization.

Fourth, we collected information from the questionnaire about the managers' gender, the gender of their immediate supervisors and the gender composition of their subordinates. There were some significant differences in how CSR and EO were perceived in relation to these gender variables.

Indian managers with a higher percentage of women subordinates reported higher external CSR. Female Swedish managers reported lower external CSR, lower EO (informal relations) and lower EO (formal procedures and relations of power). Furthermore, Swedish managers with a woman as supervisor reported higher scores on CSR (employees' development), higher on EO (informal relations) and higher on EO (formal procedures and relations of power).

#### ***11.4.4 What Matters Most?***

To summarize the variation in value expressions due to national, sectoral, organizational and gender context, the greatest source of variation was found to be due to organizational belonging. This was especially salient in the Indian context: the Indian organizations were more heterogeneous than their Swedish counterparts. The second greatest source of influence on value expressions was national (Sweden/India). Sectoral context had a smaller but significant contribution, especially in the Swedish sample. Finally, the gender composition of employees and managers showed only a minor contribution to variation in CSR and EO.

### **11.5 Cross-Cultural Validity of the Significance of CSR and EO for Workplace Attractiveness and Effectiveness**

In this section, we raise the question whether the organizational values of CSR and EO are to be understood as universal or specific with regard to their significance for attractiveness and performance. We investigated whether the impact of CSR and EO on managers' perceptions of workplace attractiveness and performance was contingent on the country (i.e. India and Sweden) or sector (manufacturing, IT, health and education).



### 11.5.1 Contingent on Country

We set up separate multilevel regression models for each country, following the procedure used in Sect. 11.3. Thus, we used decomposed (i.e. divided into organizational and individual components) CSR and EO variables as predictors in a sequence of multilevel regression models. One model was set up for each combination of the six CSR and EO variables and the three outcomes—in all, 18 models for each country. Table 11.5 shows the regression coefficients at the organizational level (level 2) and individual level (level 1), respectively, for each CSR and EO variable and each outcome. For several variables, but not all, the regression coefficients were higher for Indian managers than for Swedish managers.

- **CSR\_care** (caring for employees): The regression coefficients for organizational-level as well as individual-level CSR and EO variables predicting organizational commitment were approximately of the same size for Indian managers and Swedish managers. The regression coefficients for organizational-level CSR and

**Table 11.5** Fixed effects estimates for multilevel regression models of CSR and EO practices predicting: (a) organizational commitment; (b) intention to leave; and (c) perceived effectiveness

Fixed parameters	Org. commitment		Intention to leave		Effectiveness	
	India	Sweden	India	Sweden	India	Sweden
CSR_care_L2	0.677***	0.570***	-0.604***	-0.302*	0.723***	0.382***
CSR_care_L1	0.437***	0.360***	-0.398***	-0.377***	0.467***	0.244***
CSR_dev_L2	0.591***	0.534***	-0.616***	-0.496***	0.673***	0.230*
CSR_dev_L1	0.349***	0.335***	-0.409***	-0.274***	0.423***	0.245***
CSR_ext2_L2	0.546***	-0.083	-0.431**	-0.137	0.616***	0.020
CSR_ext2_L1	0.492***	0.189***	-0.316***	-0.151***	0.507***	0.108**
EO_rel_L2	0.649***	0.367	-0.703***	-0.137	0.858***	0.407**
EO_rel_L1	0.562***	0.259***	-0.342***	-0.311***	0.543***	0.162***
EO_quant_L2	0.661***	0.284*	-0.664***	-0.283*	0.818***	0.110
EO_quant_L1	0.292***	0.167***	-0.143**	-0.128**	0.370***	0.059
EO_form_L2	0.725***	0.708***	-0.730***	-0.494**	0.827***	0.413**
EO_form_L1	0.395***	0.240***	-0.238***	-0.292***	0.411***	0.176***

Each model has one organizational CSR and EO predictor at two levels: L2 (organizational average); and L1 (individual deviation from organizational average). Models were estimated for Indian and Swedish managers separately. All statistics were calculated excluding observations from three extreme organizations (see Chap. 5). Parameter estimates for intercept and random coefficients are not shown in the table. All variables were standardized prior to analysis. Variable labels: *CSR\_care* Caring for employees; *CSR\_dev* Supporting employees' development; *CSR\_ext2* Targets the organization's responsibilities towards future generations and towards society; *EO\_rel* EO in informal relations; *EO\_quant* Equal quantitative representation in vertical division of labour; *EO\_form* EO in formal procedures and relations of power

\* $p < 0.05$

\*\* $p < 0.01$

\*\*\* $p < 0.001$

EO variables, but not for individual-level CSR and EO variables, predicting intention to leave were higher for Indian managers than for Swedish managers. The regression coefficients for organizational-level CSR and EO variables as well as for individual-level CSR and EO variables predicting perceived effectiveness were higher for Indian managers than for Swedish managers.

- **CSR\_dev** (supporting employees' development): The regression coefficients for organizational-level as well as for individual-level CSR and EO variables predicting organizational commitment were approximately the same size for Indian and Swedish managers. The regression coefficients for organizational-level CSR and EO variables as well as for individual-level CSR and EO variables predicting intention to leave were somewhat higher for Indian managers than for Swedish managers. The regression coefficients for organizational-level CSR and EO variables as well as for individual-level CSR and EO variables predicting perceived effectiveness were higher for Indian managers than for Swedish managers.
- **CSR\_ext2** (the organization's responsibilities towards future generations and the society): The regression coefficients for organizational-level as well as for individual-level CSR and EO variables predicting organizational commitment were considerably higher for Indian than Swedish managers. A similar result was found for intention to leave and for effectiveness. Level 2 regression coefficients for all three outcomes for Swedish managers were not significantly different from 0.
- **EO\_rel** (informal relations): The regression coefficients for organizational-level as well as individual-level CSR and EO variables predicting organizational commitment were higher for Indian managers than for Swedish managers. A similar result was found for intention to leave and for effectiveness. Level 2 regression coefficients for the outcome variables organizational commitment and intention to leave for Swedish managers were not significantly different from 0.
- **EO\_quant** (quantitative vertical division of labour): The regression coefficients for organizational-level as well as for individual-level CSR and EO variables predicting organizational commitment were considerably higher for Indian managers than for Swedish managers. The regression coefficients for organizational-level CSR and EO variables, but not for individual-level CSR and EO variables, predicting intention to leave were higher for Indian managers than for Swedish managers. The regression coefficients for organizational-level CSR and EO variables as well as for individual-level CSR and EO variables predicting perceived effectiveness were considerably higher for Indian managers than for Swedish managers. Level 1 and level 2 regression coefficients for the outcome variable of perceived effectiveness for Swedish managers were not significantly different from 0.
- **EO\_form** (formal procedures and relations of power): The regression coefficient for organizational-level CSR and EO variables predicting organizational commitment were approximately the same size for Indian managers and Swedish managers, but the individual-level regression coefficient was somewhat higher for Indian managers. The regression coefficients for organizational-level CSR

and EO variables, but not for individual-level CSR and EO variables, predicting intention to leave were higher for Indian managers than for Swedish managers. The regression coefficients for organizational-level CSR and EO variables as well as for individual-level CSR and EO variables predicting perceived effectiveness were higher for Indian managers than for Swedish managers.

We also set up the multivariate multilevel regression models as specified in Sect. 11.3, but this time separately for the Indian and the Swedish samples. The models included six CSR and EO variables as predictors (decomposed into organizational and individual components, in all 12 predictors). One model was set up for each outcome variable. In a second step, control variables were introduced: manager's gender, age, education, years in the organization, years as a manager and gender of the manager's immediate supervisor. The following results were observed. Significant predictors ( $p < 0.05$ ) are reported in the text together with explained variance at each level for the full model.

- In the Indian sample, organizational commitment was predicted by CSR\_care (L2 and L1), CSR\_ext2 (L1) and EO\_rel (L1). The model together explained 72% of the level 2 variation and 34% of the level 1 variation in organizational commitment. Introducing the control variables lowered the estimate for CSR\_care (L2) slightly so that it was no longer significant. Otherwise, the results were not affected.
- In the Swedish sample, organizational commitment was predicted by CSR\_care (L2 and L1) and CSR\_dev (L2 and L1). The model together explained 83% of the level 2 variation and 19% of the level 1 variation in organizational commitment. Introducing the control variables did not change the significance of the predictors.
- In the Indian sample, intention to leave was predicted (with negative regression coefficients) by CSR\_care (L1), CSR\_dev (L1) and EO\_rel (L1). The model together explained 79% of the level 2 variation and 22% of the level 1 variation in intention to leave. Introducing the control variables did not change the significance of the predictors.
- In the Swedish sample, intention to leave was predicted (with negative regression coefficients) by CSR\_care (L1), CSR\_dev (L2), EO\_form (L1) and EO\_rel (L1). The model together explained 51% of the level 2 variation and 20% of the level 1 variation in intention to leave. Introducing the control variables lowered the estimate for EO\_rel (L1) slightly so it was no longer significant. The estimate for EO\_rel (L2) was strengthened and became significant.
- In the Indian sample, perceived effectiveness was predicted by EO\_rel (L2 and L1) and CSR\_ext2 (L1). The model together explained 75% of the level 2 variation and 22% of the level 1 variation in intention to leave. Introducing the control variables lowered the estimate for CSR\_ext2 (L1) slightly so it was no longer significant. The estimate for CSR\_care (L1) was strengthened and became significant. Otherwise the results were not affected.

- In the Swedish sample, perceived effectiveness was predicted by CSR\_care (L2 and L1), CSR\_dev (L1) and EO\_form (L1). The model together explained all of the level 2 variation (note that the L2 variance was very limited from the start) and 10% of the level 1 variation in intention to leave. Introducing the control variables did not change the significance of the predictors.

### 11.5.2 *Contingent on Sector*

We calculated the association between each CSR and EO variable and the three outcome variables separately for each sector in India and Sweden. Due to the relatively low number of observations at the organizational level in each sector, we based this analysis on individual managers' reports. The main pattern that emerged was that the associations were approximately similar for sectors within each country and that the associations in several instances were stronger for Indian than for Swedish managers (as reported in the previous section). Some country-specific differences in associations were observed between the sectors, but most of these differences were observed in one country and not in the other. However, we observed a few patterns of associations, contingent on sectors, which were consistent between India and Sweden. Below we describe the more prominent differences between the sectors for each CSR and EO variable.

- CSR—care (caring for employees). In India's education sector, the associations with organizational commitment as well as with perceived effectiveness were lower compared to the other sectors. In Sweden's IT sector, the associations with organizational commitment were higher compared to the other sectors.
- CSR—dev (supporting employees' development). In the health sector in both India and Sweden, associations with perceived effectiveness were higher compared to the other sectors. In India's IT and education sectors, the associations with the intention to leave were higher compared to the other sectors.
- CSR—ext2 (the organization's responsibilities towards future generations and the society). In Sweden's IT sector, the association with intention to leave as well as with perceived effectiveness was higher compared to the other sectors. In the Indian manufacturing and health sectors, the associations with perceived effectiveness were higher compared to the other sectors.
- EO—informal relations. In the IT sector in both India and Sweden, the associations with perceived effectiveness were lower compared to the other sectors.
- EO—quantitative vertical division of labour. In both the Indian and Swedish health sectors, the associations with intention to leave were lower compared to the other sectors. In Sweden's education sector, the associations with intention to leave were higher compared to the other sectors in both Sweden and India. This was the only instance where *the association was higher in Sweden than in India*. In the Indian IT sector, the association with perceived effectiveness was lower compared to the other sectors.

- EO—formal procedures and relations of power. In India’s education sector, the association with intention to leave was higher compared to the other sectors. In India’s IT sector, the association with perceived effectiveness was lower compared to the other sectors.

### ***11.5.3 Universal or Context-Specific Impact***

According to the results, there was no clear-cut answer to the question whether the expression of values is to be regarded as universal or specific based on its significance for perceptions of attractiveness and performance. The impact of CSR and EO on managers’ perceptions of workplace attractiveness and performance was valid in different cultural contexts (country and sector), even though we observed differences in the relationships studied. In some instances, these differences were quite substantial. Generally, the relationships between CSR and EO variables and outcomes were stronger in the Indian context than in the Swedish context. This was especially true with regard to the relationships involving external CSR, the quantitative and the relational facets of EO for men and women. The sector context showed few systematic differences in the relationships studied that could be attributed to the sector as a common moderating factor in both countries. Instead, variations in the relationships contingent on sector were mostly unique to each specific country context. Taken together, the results indicate that the relationships between CSR and EO variables and outcomes are moderated by context factors that vary between and within countries.

## **11.6 Summary**

In this chapter, we analysed how managers from India and Sweden answered questions about organizational practices concerning CSR and EO. Managers’ perception of these practices were taken as indicators of the underlying values in the organization. We also asked the managers to rate indicators of organizational attractiveness as well as the perceived effectiveness of their units. We analysed the questionnaire data according to the applied analytic approach outlined in Chap. 4. Within this analytic approach, a number of research questions were formulated. Here we summarize the findings according to these questions:

- *Are values shared between managers in the same organization?* The results show that managers in the same organization shared to a significant degree their perceptions of the expressions of the values studied. This means that the

managers' reports of CSR and EO involved cultural expressions, reflected in differences between organizations in practices and processes. The amount of organizational-level variation was higher in the Indian sample compared to the Swedish sample. This was mainly due to a greater difference between the Indian organizations, as we have already seen in the sector-wise chapters. However, the variation within organizations was somewhat higher in the Swedish samples.

- *What is the impact of organizational values on managers' perceptions of workplace attractiveness and performance?* All facets of CSR and EO were related to workplace attractiveness and performance at either the organizational level or the individual level. Organizational-level predictors showed in most instances stronger relations than individual-level predictors. This indicates that the main mechanisms operating are of a cultural rather than individual nature.
- *What is the impact of national, sectoral, organizational and gender context on how CSR and EO are perceived?* The greatest source of variation in the perception of CSR and EO was due to organizational context. Managers in different organizations rated the value expressions differently. Indian organizations were more dissimilar than Swedish organizations. With respect to the relational and formal facets of EO, differences between Swedish organizations were rather small, and no variation was observed at all in customers' rights. The second greatest source of influence on value expressions was the nation (Sweden/India). Swedish managers scored higher in their perception of caring for employees, supporting employees' development, EO-informal relations and EO-formal procedures and relations of power, whereas Indian managers scored higher in their perceptions of the external perspective on CSR. The manufacturing sector showed smaller national differences than other sectors. Sectoral context made a smaller but significant contribution to the variation in value expressions. For several CSR and EO variables, the differences between sectors were more salient in Sweden than in India. Furthermore, differences between sectors showed in most instances a different profile in India and Sweden. Finally, the gender composition of employees and managers made only a minor contribution to the variation in value expressions, more so in the Swedish than in the Indian context.
- *Is the impact of CSR and EO on managers' perceptions of workplace attractiveness and performance valid in different cultural contexts?* The impact of CSR and EO on managers' perceptions of workplace attractiveness and performance is valid in the different cultural context in most instances, even though there were differences observed due to the country and sectoral context. Generally, the relationships between value expressions and outcomes were stronger in the Indian context than in the Swedish context. This was especially true with regard to the relationships involving external CSR and also those involving the relational facet of gender equality.

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# Chapter 12

## Major Findings and Insights

### 12.1 Introduction

It is crucial for organizations to attract and retain competent staff in order to be competitive in this globalized world. The attractiveness of a workplace can be influenced by employees' perceptions of its performance or effectiveness. Moreover, to be able to attract and to retain staff, it is becoming more and more important for companies to behave in a socially responsible way and to uphold international agreements and policy statements on human rights and gender equality. Organizations' efforts to live up to these ideals have been labelled 'employer branding'. The concept of 'employer branding' originates from the field of talent management, which aims at attracting the best potential employees (talents) and retaining the best employees already working in an organization. We argue that it is time to broaden the target group and consider employer branding as a strategic tool for organizations to attract and retain generally good employees who are attracted and committed to the organization and appreciate the values embedded in the organizational culture. In this book, we have focused on managers who already work in organizations. Our aim has been to understand how organizational values (particularly CSR and EO) influence these managers' perceptions of the workplace as attractive and effective.

In the beginning of the book, we discussed the concept of attractive work on the basis of the limited literature available and organized the research findings in graphic form (Fig. 1.1) in order to present our arguments for understanding attractive work through a multicultural perspective. In addition, the authors proposed that organizations may promote different values in consonance with societal expectations, the industry to which they belong, and the cultural contexts in which work is made attractive. Figure 1.1 portrayed the macro-level, meso-level and micro-level contexts of work as well as the individual-level factors that were studied as parameters influencing the understanding of attractive work.



The major arguments presented by the authors of this book may be summarized as follows. National cultures have generally been understood as determinants of varying perceptions of attractive work. At the beginning of this book, the authors presented their assumption that different industries/sectors might also have different cultures, and that these differences in sectoral culture may indicate differential understandings of attractive work (see Chap. 4). In Chap. 4, it was further pointed out that gender composition in different sectors may also influence perceptions of attractive work. National and sectoral cultures constitute the macro context of work. India and Sweden represent national cultures, and the four type of industries, i.e. manufacturing, IT, health and education, represent the types of industries and sectoral cultures. However, the findings of the research are not in complete consonance with these assumptions. The findings only partially support the existence of such cultures, whereas national culture was found to predominate in influencing values in the organization.

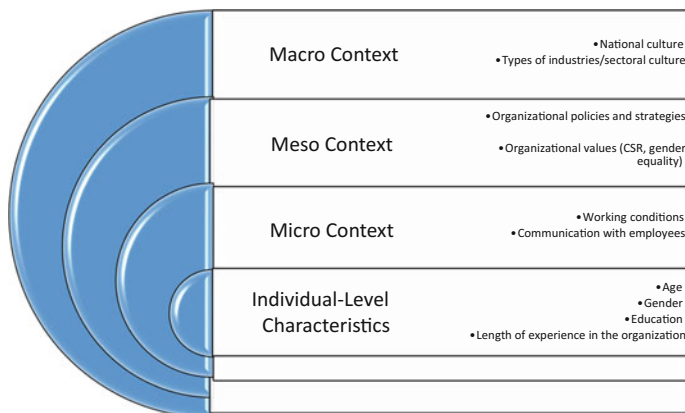
Another set of factors which influence the attractiveness of an organization are organizational characteristics like policies, structure and the values it promotes. We have focused on two globally very important values—CSR (sometimes understood as sustainability), and EO (sometimes studied as gender equality)—as having a potential influence on employees' perceptions of attractive work. The authors corroborated the importance of these values for organizations through interviews of HR managers on existing policies pertaining to these values, assessed in terms of formalization, communication and implementation. Together, organizational values and policies in support of these values present the meso context of attractive work.

The third level of characteristics may originate from the immediate context of the employees' own work. The immediate context may be affected by the communication and implementation of values and the performance of the work unit. Our research investigated the perceived effectiveness of organizations with regard to these values.

The fourth level pertains to individual parameters related to particular employees. The gender, age and educational qualification of the employee and the duration for which the employee is associated with an organization influence the conceptualization of attractive work.

The model presented in Fig. 12.1 provides a graphic representation of the variables studied in the empirical research presented in earlier chapters. As discussed in Chap. 1 (Fig. 1.1), different levels of context influence the perception of attractive work, where attractiveness is understood in terms of employees' intention to leave the organization, their organizational commitment, and also their perception of the effectiveness of the organization.

Culture has been discussed as a complex construct by Leung et al. (2011) and Gould and Grein (2009). Leung et al. (2005) provide an extensive analysis of globalization issues and emphasize the importance of shared meanings in defining a culture. They argue that the degree of 'sharedness', or homogeneity in values,



**Fig. 12.1** Model of attractive work based on our empirical work (Prepared by the authors)

beliefs and norms within a certain cultural group, defines its boundaries, including for national groups. Leung et al. (2005) and Erez and Drori (2009) in fact recognize that culture can cut across national boundaries, such as in the case of an emerging global culture. Multinational organizations working in different locations, within different national boundaries, may show such a culture, e.g. IT organizations. There have been arguments that the nation is not the only meaningful cultural grouping and that people may have multiple cultural identities (Arnett 2002; Erez and Drori 2009).

The authors of the present research proposed that sectors/industries might also have their specific cultures that embed organizational culture, which in turn might have an impact on the individual. The mechanism might be professional logics and ethics. A vast scientific literature has taken occupation as a unit of analysis that has an impact on the individual’s professional identity and thus on her values, preferences and organizational behaviour. In accordance with role theory, occupations can be seen as social roles. Depending on the context, individuals occupying similar roles follow the norms for that specific occupation (Ulfsdotter Eriksson 2012). However, certain values are branded and practised at the level of the organization, and HR and management team activity is directed at their staff based on such values in a process known as ‘internal branding’. Here, differences are not on account of different occupations; instead, organizational logics follow their line of production and compare themselves with other organizations within the sector or type of industry. In this book, the globalized world is in focus. Many companies are multinational and act in a global arena, both in marketing their brands to customers and competing for the right kind of talent. Thus, there is a need to know whether organizational values and the view of what is attractive work among employees are generic, or if they are specific to nation, sector and organization.

## 12.2 National and Organizational Context

Earlier chapters talked about why India and Sweden have been chosen to study attractive work in a multicultural perspective. India and Sweden are similar in many ways but different in many other ways. India is a huge country with diverse cultures, ethnicities and widespread disparities in living conditions and resources. It has been said rightly, ‘India lives in many centuries simultaneously’.

India is the fastest growing economy in the world (growing at a rate of 7.6% in the first quarter of 2016). The most important and the fastest growing sector of the Indian economy is the services sector. Trade, hotels, transport and communications, financing, insurance, real estate and business services, and community, social and personal services account for more than 60% of the GDP. Agriculture, forestry and fishing constitute around 12% of the output but employ more than 50% of the labour force. Manufacturing accounts for 15% of the GDP, construction for another 8% and mining, quarrying, electricity and gas and water supply for the remaining 5% (Trading Economics 2016). Only 8% of the Indian population are tax payers. By soliciting cooperation from corporates, formalizing a CSR law, implementing the ‘Make in India’ drive and opening the huge Indian market to foreign investors, and encouraging medical tourism by promoting corporate hospitals, the country is trying to bridge the gap in terms of welfare.

Sweden, on the other hand, is an ideal model of the welfare state. It has a stabilized economy. Health and higher education are largely supported by the state. Women in Sweden have been a part of the formal workforce for the last 50 years. Sweden, by virtue of its legal and normative provisions, strives for gender equality, and in the global context has achieved gender equality to a great extent in comparison to other countries (World Economic Forum 2016).

The manufacturing sectors in India and Sweden are more similar than different. In both countries, the sector accounts for almost an equal proportion of GDP. It is estimated that the present government in India, with its ‘Make in India’ drive, is already giving manufacturing a push in terms of inviting more investments from across the world. India has a low cost of labour as compared to most other countries, and thus ‘Make in India’ might be a reality in the coming years. However, India has a large gender gap in terms of the representation of women in the sector and in wages earned, as compared to Sweden. In general, according to the *Global Gender Gap Report* (World Economic Forum 2016), there is a very wide difference in the positions of the two countries.

The Indian and the Swedish manufacturing sectors are also very similar in the employment they generate for the workforce. Most of the manufacturing sector organizations studied in India and Sweden are multinational in nature; however, the average size of the organizations studied in India is larger compared to the average size of organizations studied in Sweden.

According to the National Association of Software and Services Companies (NASSCOM 2014), India accounts for more than half of the global sourcing in IT. Because of cost effectiveness, India is the premier destination for offshoring

business processes. However, IT is only an urban phenomenon and has not yet been able to generate substantial employment across the country. Specific metropolitan cities like Mumbai, Bengaluru and Chennai are teeming with IT hubs. The Swedish IT sector provides above 4% of total employment, whereas the Indian IT sector provides 0.9% of employment (see Chap. 7). Both India and Sweden have a predominant presence of women in the sector, most of whom have university degrees. Sweden boasts one of the highest rates of internet access in the world. Similarly, India is one of the fastest growing user bases in the world in terms of mobile use and has the third largest internet user base (see Chap. 7). Thus, the IT sectors in India and Sweden may appear similar compared to the other three sectors on the basis of socio-demographic characteristics. Later in this chapter, we will see that the major findings reported from the IT sector in both countries reflect a similar interpretation.

The education sectors in India and Sweden are quite different. In Sweden, starting from primary education up to higher education in universities, education is free for citizens. Sweden's system of education is a product of its well-known welfare state model and is thus predominantly public in nature. The absence of tuition fees in higher education makes it easier for students to enrol. In India, on the other hand, the scenario is quite diverse. Primary education is free for children studying in government schools. However, given the size of the population and its diverse needs and demands, there is a greater number of private educational institutions, as compared to government institutions, where education is very expensive. Moreover, professional higher education is very expensive in India, where private institutions outnumber state-run/government ones. Most of the educational institutions studied in Sweden are government institutions, whereas most of higher educational institutions studied in India are private or trust-run. This has a significant impact on organizational values and the way managers think about CSR in general. In India as well as in Sweden, the percentage of women enrolled in higher education in the general streams (arts, science, commerce) is higher compared to the enrolment of men. As discussed in Chap. 8, in Sweden, the education sector provides 11.2% of total employment (whereas in India it accounts for about 4.3%).

The increasing proportion of women enrolled in higher education, and the higher presence of women in the job market of the education sector, make it imperative for organizations to change their strategies and policies to attract and retain the female workforce. Catanzaro et al. (2010) report that gender interacts with organizational culture to influence applicants' attraction for a particular organization. Although more prospective male applicants compared to female applicants tend to pursue jobs with competitive organizations, the majority of both men and women reported a stronger interest in working for supportive organizations even if the salary was lower. Our interviews of HR managers in both countries show that there is a marked presence of women across different hierarchical levels of educational institutions. Women are represented in top managerial positions in both countries.

There is a vast socio-demographic diversity in healthcare organizations in India. Swedish healthcare organizations are mostly government-run and are more

homogeneous. Thus, the sample organizations studied for this sector from India and Sweden are quite different in their structure and philosophy. Healthcare is one of India's largest economic activities. The sector provides an array of services like telemedicine, medical tourism, insurance, equipment and devices and hospitals, and is worth an estimated USD 65 billion, making it the sixth largest healthcare market in the world. India is also the world's largest exporter of pharmaceuticals. The country spends 4% of its GDP on healthcare, although the sector provides employment to only 1% of the population, which is very low compared to other countries. Furthermore, private medical facilities account for 81% of the healthcare expenditure of the country.

In India, government hospitals and the whole healthcare system are well structured; yet they are not adequate to provide services to the ever-expanding population. To bridge the gap, and to provide better-coordinated and good infrastructure facilities to those members of the public who can afford the expense, private or trust-run hospitals have mushroomed. In spite of qualified and experienced doctors and the subsidized cost of healthcare in government hospitals, people often end up in private or trust-run hospitals because of easy accessibility of doctors and less waiting time. India is becoming very popular all over the world as a destination for medical tourism because of these corporate and private hospitals with their modern technology but comparatively low cost and faster services compared to hospitals in the west. India has thus emerged as a popular destination for providing global standards of healthcare at affordable costs. More recently, there has been a spatial shift in medical travel especially to Asian countries from advanced economies (Kumar and Raj 2015). The term 'medical tourism' refers to people travelling to overseas destinations to obtain medical, dental, or surgical care. The Indian government is contemplating for allowing visas to people who intend to come to India for long-term healthcare purposes. This implies that the health sector in India is coming up as an industry which aspires to generate profit, and thus should be liable to government regulations on CSR in select cases of corporate and big private hospitals.

The scenario is quite different in Sweden. Healthcare is one of the cornerstones of the Swedish welfare state model. Sweden today has one of the strongest performances internationally across key health indicators. Primary healthcare covers all residents, and healthcare is by and large the responsibility of the state. In Sweden, 9.7% of the country's GDP in 2013 came through healthcare expenditure, of which 81.5% comprised public spending as opposed to only 18.5% of private spending. Sweden is home to a large number of pharmaceutical industries. The healthcare sector in Sweden provides 15.4% of the country's employment and thus has a strong sectoral presence. Most of the Swedish healthcare units sampled for this research comprise public-owned hospitals, reflecting the structure of Swedish healthcare.

However, in both India and Sweden, the healthcare sector is marked by the presence of a larger proportion of women employees across the hierarchy. The health sector in both countries is considered more gender-congenial compared to

other sectors. The different ideologies of private and state-owned hospitals might, however, influence organizational value preferences, and it is necessary to understand these values in connection with outcome parameters like commitment or competitive performance.

## **12.3 Major Findings on Perceptions of CSR and EO**

In Chap. 11, we analysed managers' reports on how they perceived certain aspects of their organizations. More specifically, managers reported on their perceptions of CSR and EO practices in their organizations. The managers also rated the attractiveness and performance of their organizations. Two major findings emerge from the analysis. First, managers within organizations reported a similar view of CSR and EO practices, which indicates that these perceptions reflect shared cultural expressions. Second, CSR and EO perceptions are related to the attractiveness and performance of organizations. In this section, we will discuss these major findings and what they imply for employer branding in organizations.

### ***12.3.1 CSR and EO as Cultural Expressions***

The results of our research show that managers' perceptions of CSR and EO contain shared cultural expressions with regard to organizational belonging. Thus, it is meaningful to compare organizations with regard to differences in CSR and EO perceptions using the methods applied in this study. In fact, the differences between organizations in terms of CSR and EO perceptions are rather more salient compared to the differences found between nations and sectors. Matsumoto and Juang's (2004) definition of culture implicitly supports these findings and their implications. They define culture as 'a dynamic system of rules, explicit and implicit, established by groups in order to ensure their survival, involving attitudes, values, beliefs, norms and behaviours, shared by a group but harboured differently by each specific unit within the group, communicated across generations, relatively stable to change across time' (ibid., p. 10). Organizations, although situated in the same national culture or in the same socio-political-economic framework, can still harbour values differently as homogeneous units within the culture. Judge and Cable (1997) report their findings on the relationship between organizational culture preferences and individual attraction to organizations and job choice decisions. According to them, job seekers are attracted to organizations that they perceive have cultures that fit their own values, needs and preferences. Thus, the organization's culture should be accommodative of values that will attract a diverse population of qualified job applicants, irrespective of their gender, ethnic identity, or nationality.

### ***12.3.2 CSR and EO as Part of an Attractive Organizational Culture***

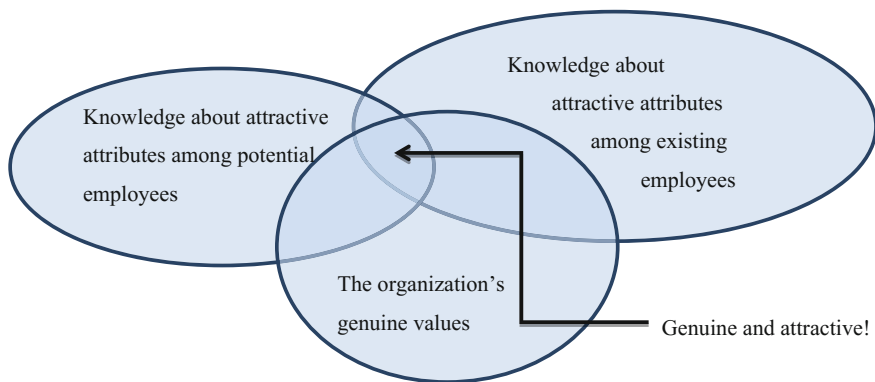
The general pattern that emerged was that the cultural expressions studied here were related to organizational attractiveness as well as organizational performance, even though we observed some differences in the relationships across countries and sectors. Some dimensions of CSR and EO showed stronger relationships, and some weaker relationships, contingent on country and to some extent on sector, and these will be discussed further in Sects. 12.7 and 12.8. Organizational-level predictors showed in most instances stronger relations than individual-level predictors. This indicates that the main mechanism is of a cultural rather than individual nature. The findings indicate that any organization in order to be perceived as an attractive workplace needs to promote CSR and EO.

### ***12.3.3 Implications for Employer Branding***

Even though employer branding is considered as a tool for attracting new employees and retaining the already employed, there has been a heavy emphasis on recruiting potential employees (Mosley 2007; Universum 2016). Accordingly, the focus of employer branding has mostly been on developing the external reputation of the organization so as to attract the right employees. Attracting potential employees is also emphasized by international employer branding companies (e.g. Randstad and Universum). Every year, these companies offer rankings of company attractiveness and workplace attributes that the workforce, locally and globally, views as attractive. These rankings are based mainly on the perceptions of potential employees, such as those who are already employed in other organizations, the unemployed, and most commonly also students' perceptions (particularly students in engineering, economy and law). These rankings contribute to the knowledge of which organizations and what attributes (some) potential employees find attractive.

Research comparing potential and existing employees has found that these groups of employees differ in their opinions of what is attractive (Lievens 2007; Maxwell and Knox 2009). Therefore, it is important also to gain knowledge about what existing employees find attractive. But research that focuses on existing employees is scarce. The results of our study offer knowledge that adds to the practice of employer branding and to the employer branding research literature by focusing on expressions of organizational values as perceived by managers who are employed in the studied organizations. According to our results, managers working in the four sectors studied experienced organizations which were characterized by both CSR and EO as attractive.

Additionally, it is important to consider that the organization not only needs knowledge about what both potential and existing employees find attractive; it also needs to create a strong and attractive EVP as a central part of the employer



**Fig. 12.2** The genuine and attractive aspects of an organization's EVP (Prepared by the authors)

brand—i.e. the organization also needs to identify its own genuine organizational values (see Fig. 12.2).

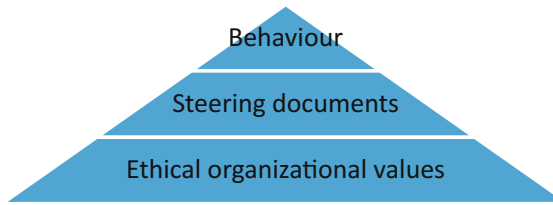
In our study, we have considered CSR and EO as ethical organizational values, as these values may imply normative standards that direct what is right or wrong. Our findings show that CSR and EO are examples of shared collective values which 'constitute a collective understanding regarding norms and standards of behaviour acceptable in the organization' (Hassan 2007). Accordingly, we argue that CSR and EO are part of an organization's culture as well as identity, and are genuine aspects of the organization.

As these collectively shared organizational values are also perceived as attractive among existing employees, our results indicate that organizations will retain these employees. In our study, managers who worked in organizations where there was a perception of the more extensive practice of CSR and/or EO reported higher commitment and lower intention to leave the organization. Our results indicate that in organizations where existing employees perceive a greater degree of practice of CSR and EO, these values should be considered as important attributes in the employer brand.

The scope of this study did not include examining potential employees' attraction to CSR and EO values in organizations. But we believe that it is most likely that organizations characterized by their engagement in CSR and EO also have the potential of attracting like-minded candidates who consider CSR and EO as valuable aspects of an organization.

Unsurprisingly, we found that managers' perceptions of CSR and EO in the sampled organizations differed. In some organizations, managers on average perceived CSR and/or EO being practised to a greater extent. The idea of employer branding is to communicate the genuine (and unique) aspects of the organization. Therefore, if the management considers these values as important, the organization has the possibility of including these values in the central message of its employer brand, i.e. in the organization's EVP, and to institutionalize the values in steering





**Fig. 12.3** The congruent relationship between ethical organizational values, steering documents and employee behaviour (Prepared by the authors)

documents (such as written policies and codes of ethics). However, it is the responsibility of the management to make sure that existing steering documents are congruent with the genuine, important values of the organization. In an organization where shared organizational values and steering documents are congruent, ethical behaviour would be well defined and encouraged among the employees (Valentine and Barnett 2003) (see Fig. 12.3).

In other organizations in our sample, managers on average perceived a lesser extent of the practice of CSR and/or EO. In these organizations, CSR and/or EO were not perceived as genuine aspects of the organization. If these organizations were to brand themselves as organizations committed to CSR and/or EO, their employer brand would not be seen as trustworthy by employees, and potential employees would probably experience a break of the psychological contract once they were employed (see Chap. 2). If the management in such an organization wants the organization to be associated with norms and behaviours which are not perceived as important in the organization, they need to challenge the existing organizational values by starting a process of change. It is noteworthy that merely the institutionalization of ethical organizational values (by creating steering documents in accordance with the values of CSR and EO) would probably not make a difference. As the steering documents need to be in accordance with the organization's genuine organizational values, the organization needs to start acting in accordance with the desired values and convince employees to believe in its espousal of CSR and/or EO. Eventually, in its branding efforts, the management might be able to communicate its aim to develop organizational values that go with CSR and/or EO (see Fig. 12.2).

However, the traditional literature on organizational culture suggests that managing culture to change organizational values is a difficult proposition (Schein 1990). Organizational development has been identified as value based; more importantly, organizations' core values guide its organizational development and technology (Margulies and Raja 1990). Others even extend the argument so far as to predict that the future of organizational development depends on the applicability of core values to participants and clients/stakeholders (Wooten and White 1999). A shift in organizational culture is difficult to engineer, and announcing a new vision or strategy does not work. A popular saying is, 'You need to get the vision off the walls into the halls'. In order to effect a culture change, concrete steps need

to be identified that reinforce the desired culture, which is only possible by developing new practices and involving employees in its implications. Sustained behavioural change which leads to culture change occurs when people in the organization understand, accept and act on the basis of particular values (Cawsey et al. 2012).

## **12.4 Conceptualization of CSR and EO from Quantitative Data**

In Chap. 5, we investigated measures of managers' perceptions of practices concerning CSR and EO in their organizations. The results show that CSR and EO are multidimensional concepts. In this section, we will discuss the conceptualization of CSR and EO.

### ***12.4.1 Conceptualization of CSR***

In the literature, the concept of CSR is most often talked about as a coherent, homogeneous phenomenon. Based on the results of the research reported in this book, we argue that it is an oversimplification to talk about CSR as a unitary concept. In fact, the results indicate that CSR is a multidimensional concept which assumes different manifestations in different contexts. Studies have approached CSR as a value which promotes the business case (promotes financial and non-financial performance) of the organization. It can influence motivators like profits, the reputation of the organization and the satisfaction of stakeholder demands, which in turn make the organization attractive for existing and potential employees. These motivators are largely categorized as moral versus strategic (Graafland and van de Ven 2006) or caring versus profit-driven (Balasubramanian et al. 2005). Organizations' CSR activities may have different implications in acting as motivators for employees.

Our findings here, arrived at through confirmatory factor analysis, suggest that CSR as a concept has evolved as a conglomeration of various sub-dimensions, like respect for individual rights, salary, investments, support to NGOs and customer rights. Out of these, respect for individual rights, customer rights and NGO support seem to be moral motivators that promote CSR as a business case and contribute to the attractiveness of the organization, whereas salary and investment can be interpreted as strategic motivators which promote CSR so as to make the workplace attractive.

We have based the measurement of CSR on Turker (2009), who takes a stakeholder perspective. A stakeholder perspective could be a useful way of elaborating the CSR concept as a multidimensional construct. Stakeholder theory

(Freeman 1984; Waddock 2004) is based on the importance of forming meaningful relationships with key stakeholders as carrying an implicit moral weight. According to Mitchell et al. (1997), the importance of the stakeholder depends on the stakeholder's power to influence the organization, and stakeholders' legitimate claim on the organization. In the present study, we considered the following stakeholders: employees, future generations, society and customers. It could be useful to distinguish between stakeholders within the organization, e.g. employees (internal CSR), and stakeholders external to the organization, e.g. future generations, society and customers (external CSR). But within these broad categories, sub-dimensions were also identified. For internal CSR, we identified two dimensions: caring for employees and support for employees' development. Earlier research has made it clear that CSR takes many different forms, of which the major forms include helping the community by making charitable contributions, preserving the environment, socially responsible investing (typically, this involves making investments in companies that promote the well-being of society and refraining from investing in companies that may do harm), and promoting the welfare of the employees (see Greenberg and Baron 2010).

The national culture and values by which the organization is guided influence how CSR is construed. Hofstede's cultural taxonomy, which has been discussed and widely researched for more than 40 years, including later developments, suggests that countries can be ranked high or low in terms of individualism and collectivism, power distance (degree of inequality of power among employees depending on organizational hierarchy), masculine or feminine orientation, uncertainty avoidance, short-term or long-term orientation (Hofstede and Peterson 2000). In the context of India and Sweden, India, having more of a collectivistic orientation and widespread inequality in terms of financial and social well-being may seem to have a more external orientation in the CSR concept. Sweden has traditionally been a pioneer in its search for the meaning of good work and working conditions. In addition, having an individualistic culture makes it construe CSR more in terms of employee well-being and care.

It was difficult to establish a reliable and invariant measure for external CSR. The measure that lent support for invariance comprised only two items, targeting future generations and the society as stakeholders, but showed somewhat low reliability. Therefore, the results concerning external CSR should be interpreted carefully.

There were also items targeting various stakeholders that were not found to be invariant, i.e. were answered inconsistently by managers in India and Sweden. These items indicate expressions of CSR that may have different meanings, or have context-specific constraints in terms of either country or sector. For example, an item concerning a decent salary was an indicator of the dimension of caring for employees in the Swedish context, but in the Indian context, this item was also attributed to the responsibility to the society. Other items comprised respect for employees' individual rights, investments to benefit future generations, support to NGOs and respect for customers' rights.

### 12.4.2 *Conceptualization of EO*

In exploring perceptions regarding EO in the organizations, our point of departure was Connell's (2006) qualitative work on the overall pattern of gender relations in an organization—the organization's 'gender regime'. Previous knowledge about quantitative vertical and horizontal gender segregation in organizations (see Chap. 3) and qualitative aspects of gender equality was also taken into consideration.

In accordance with the knowledge about segregation patterns in organizations and using Connell's work, we created and explored statements that represented different dimensions of organizations' gender regime which could be statistically tested. According to the confirmatory factor analysis of our quantitative data, we were able to identify three aspects of EO which it was possible to study and compare in India and Sweden:

1. Quantitative vertical division of labour—focuses on the organization's striving for equal numbers of men and women on boards and in managerial positions.
2. Formal procedures and relations of power—focuses on the organization's effort to give men and women equal opportunities for job advancement, equal evaluation of men's and women's performance, and equal influence over decisions.
3. Informal relations—the concern that men and women are equally listened to and equally respected, and also that the organization is sensitive to men's and women's needs.

Both 'quantitative vertical division of labour' and 'formal procedures and relations of power' concern gender aspects in the organization which can be formally prescribed in policies and formal documents. In contrast to the other two aspects, 'informal relations' involve the manifestations of informal aspects of gender relations, aspects which are not possible to govern directly with policies or steering documents.

'Quantitative vertical division of labour' and 'formal procedures and relations of power' are both expressions of Connell's dimensions of 'gender relations of power'. They include the problems that organizations have in bringing women into top management positions and in establishing the authority of women managers. 'Informal relations' is a category closely related to Connell's dimension of 'emotion and human relations'.

According to the invariance testing, our measures of 'horizontal division of labour' and 'gender culture and symbolism' could not be compared cross-culturally in our data. These are two dimensions that Connell suggests are part of an organization's gender regime. Horizontal division of labour and gender culture are aspects which are captured in the qualitative interviews in our material and will be discussed in Sect. 12.6.1.

## 12.5 Findings on CSR from Qualitative Data

### 12.5.1 *Understanding of CSR*

The findings in this section are consolidated on the basis of information collected from managers in 2013. In general, Indian managers from all sectors conceptualized CSR more in terms of philanthropy, giving back to the society and doing things for underprivileged sections of society. Swedish managers conceptualized CSR as concern for future generations, sustainable growth and the well-being and quality of life of employees. This understanding of CSR by managers has a basis in the socio-historical and evolutionary context of the society. The evolution of CSR in India has been guided by philanthropic values which are justified by large-scale inequality across the society in terms of access to resources and welfare. On the other hand, ideas of decent work, work–life balance and employee well-being have been important aspects of the historical evolution of Sweden as a welfare state.

While both Indian and Swedish manufacturing companies conceptualized CSR in terms of taking care of the society, Indian managers believed that economic activities undertaken by manufacturing companies are embedded within a context of goodwill on the part of an interdependent, collectivistic society, and thus companies owe it to society to contribute through CSR. Swedish managers perceived CSR in terms of local and global external as well as internal stakeholders. Accordingly, CSR meant being responsible towards the society, the local community and employees. The managers highlighted the aspect of being responsible for the environment. However, in Sweden, managers conceptualized CSR in very diverse ways, whereas the understanding was very congruent among Indian managers. In Sweden, some managers were sceptical about the idea of sustainability; in their view, organizations think about sustainability within the boundaries of their own country, but change standards when they are at offshore locations like China or India. Some even regarded CSR as a PR activity.

Managers in the IT sector in both India and Sweden said that to them, CSR meant professional integrity. Indian managers felt that helping society grow by helping the underprivileged or facilitating the dissemination of IT education was also a form of CSR. Like in manufacturing, managers in IT in Sweden also thought of CSR in terms of global responsibility (e.g. helping poor children in South America or Asia), local responsibility (e.g. sending money to Swedish local organizations for working with disabled adolescents) and taking care of the environment. However, IT managers in India saw the fulfilment of CSR responsibilities as difficult for individual managers as well as for HR people because of their heavy workloads. This can be understood on the basis of the size and structure of the IT companies, most of them being multinational companies with departments that are more segregated in terms of their operations. First-line managers might even lack understanding of the company's CSR efforts, or simply be disinterested in CSR activities because of their high workloads.

In both India and Sweden, managers in the education sector believed that educational institutions by their very nature were involved in CSR by offering services to the society, and by educating and preparing students as a contribution to nation building. Educators in Sweden felt that the university following their objectives naturally created better conditions for the equal treatment of people; thus, CSR was perceived as a socio-political issue, and educators were not sure whether they should participate in active CSR efforts. Generally, managers from the Swedish education sector thought of CSR in terms of sustainability and responsibility, whereby neither the environment nor employees should be used in a wasteful way. However, in India, the concept emerged as a uniform one, and almost all educators understood CSR as giving back to society by serving the underprivileged in some way or other. Here it is important to remember that higher education in Sweden is state-sponsored, and most higher education institutions are public institutions. Moreover, in Nordic countries, higher education is free for all students. Whereas in India, private higher educational institutions outnumber state-owned institutions, and higher education is very expensive in most private educational institutions. Thus, the obligation for social responsibility by creating awareness or facilitating education for the underprivileged that was felt by Indian educators was not apparent among Swedish educators from public institutions.

The healthcare sector in India and Sweden are starkly different. Healthcare in Sweden is mostly state-owned and follows the welfare state model. The Indian healthcare sector comprises public, private and corporate institutions. Managers interviewed from both India and Sweden said that their regular job with the healthcare industry was itself a form of CSR. For Indian managers, CSR involved organizing awareness camps, free health check-up camps, adopting nearby villages to provide health services, etc. Providing services without payment was also understood as CSR by healthcare managers in India. However, some managers perceived these activities as a form of PR campaigning by hospitals. In Sweden, managers of healthcare institutions expressed the belief that the obligation to undertake CSR was a result of healthcare being a politically governed sector. Therefore, healthcare organizations have to realize and represent values that politicians propagate. Managers said that healthcare involves responsibility towards patients, staff and citizens. Examples of CSR included recruiting staff who could perform their duties in a safe and competent way, adopting a treatment perspective and giving lectures at patients' association meetings.

### ***12.5.2 CSR Policies in Practice***

The findings in this section are consolidated on the basis of information collected from HR managers in 2013–2015. Corporate social responsibility was about to be mandated as a part of company law in India. The responses of HR managers to the practice aspect must be read and understood against this backdrop.

The practices pertaining to CSR policies in the organizations have been studied here under the three broad categories of formalization, communication and implementation. The practice component basically indicates whether the values are used for internal branding (formalization and implementation) or external branding (external communication).

Across sectors, Indian HR managers reported greater prevalence of CSR policies, but not always in documented form. Among Swedish organizations that reported having a CSR policy, most also had it in documented form. Overall, more Indian managers reported being aware of the policy compared to managers in Sweden. However, when it came to having access to the policy, discussion about the policy and updating the policy, Swedish HR managers reported a higher degree of practice of these aspects in their organizations than Indian managers. It might be possible that the legalization of CSR provided Indian organizations a more centralized and standardized understanding with regard to the policy as compared to Swedish organizations, where CSR policy was discussed more frequently.

## **12.6 Findings on EO from Qualitative Data**

### ***12.6.1 The Understanding of EO***

The findings in this section are consolidated on the basis of information collected from managers in 2013–2014. In general, there are many similarities among managers in India and Sweden in terms of how they express the gender culture in their organizations—the culture that, e.g. concerns the way in which gender is understood and the way managers talk about EO in their organizations (Connell 2006). Managers in both countries discussed horizontal and hierarchical gender segregation. In general, Indian managers referred to cultural aspects at the macro level to explain why men and women should have different hierarchical positions in the organization. In Sweden, managers wondered why women did not reach top positions and used explanations on the individual level, e.g. that women do not have self-confidence and need coaching. Horizontal gender segregation was often defended by Indian managers as being due to biological and behavioural differences between men and women. In Sweden, while biological differences between men and women were considered as one of the causes, the fact that men and women are attracted to different kinds of jobs was offered as another pertinent reason for differences among the genders.

On the one hand, while managers in the Indian manufacturing sector seemed to have a gender-equal attitude which could promote EO, on the other hand, they defended horizontal gender segregation in their organizations and felt that hierarchical gender segregation also had a rationale. They expressed gender-cultural obstacles to EO at the macro level by viewing women as culturally different from men and emphasizing that women had to combine their work with family

responsibilities. They also said that factory law demanded the safety of women at the workplace. This in a way justified gender inequality at the workplace. According to the Factory Act, women cannot have the same working conditions as men. Further, the presence of hierarchical gender segregation was noted by Indian managers. Like horizontal gender segregation, hierarchical segregation could also be understood from a cultural perspective. An example of such an explanation for hierarchical segregation was that men in India did not want female bosses.

Like Indian managers, Swedish managers emphasized that EO meant that no one should have advantages or be discriminated against because of gender. Another similarity between managers in the two countries was the recognition of horizontal gender segregation in organizations. Some Swedish managers reported horizontal gender segregation as a consequence of the different abilities of men and women. Managers in the manufacturing sector in Sweden also discussed relational aspects as important for EO in the organization; both men and women should be respected and listened to, and get support. The Swedish managers identified obstacles to EO in their organizations when it came to recruitment and combining work and family for women. It was seen as a problem that women in the most male-dominated units had a higher degree of turnover than men.

Regarding the interpretation of EO, managers in the Indian IT sector also expressed a gender-equal attitude. On the other hand, many managers felt that men and women were good at different things, and that division of labour along gender lines in organizations was preferred due to cultural reasons. It was noted that the work roles of women might be undergoing change, especially in larger Indian cities where women may work during the night, e.g. in call centres. Managers in the IT sector in Sweden expressed a gender-equal attitude as well. They emphasized that there should be no discrimination against women and argued against both horizontal and hierarchical gender segregation in organizations.

Both Indian and Swedish managers in the education sector described their own organizations as characterized by EO, or at least as having come far in offering EO. Managers in the Indian education sector understood EO as meaning that women were not discriminated against; a person's work tasks should be decided based on qualifications, experience, professionalism and abilities. Thus, it was noted that women's family responsibilities were a hindrance for EO at the workplace.

According to managers in the education sector in Sweden, EO concerned hierarchical and vertical gender segregation in the organization but also affected salary and the possibilities of development. Even though they acknowledged that an organization has to work with strong structures which promote EO, the managers themselves thought that the university sector had come quite far in questions of equality; they felt that they had a rather equal gender distribution, no large differences in salaries and men and women were treated in the same way.

Indian managers working in the healthcare sector reported their experience that EO was offered in the sector even though obstacles to EO were identified. These hindrances were part of the gender culture, e.g. stereotypical values and thought processes. The managers expressed their view that men and women were essentially



different from each other. According to the managers, the biological difference between men and women made them work in different kinds of jobs in the organization. Swedish managers felt that structures in the society were reflected in their work organizations. According to the Swedish managers, men usually benefited from these structures. As the healthcare sector is female-dominated, the managers discussed parental leave as an important issue for EO, especially with regard to recruitment and equal pay. Like Indian managers, Swedish managers also felt that natural differences between men and women had an effect on work groups. According to the managers, organizations where EO is not offered to men and women are characterized by prejudice regarding gender and strong opinions about what men and women can do. The managers emphasized that there should be no discrimination.

### ***12.6.2 EO Policies in Practice***

The findings in this section are consolidated from information collected from HR managers in 2013–2015. Across three of the four sectors, Swedish HR managers reported a greater prevalence of policies concerning EO. Of those organizations that had EO policies, more Swedish organizations seemed to have them in written form than their Indian counterparts (in three out of four sectors). The EO policy was updated more often in Sweden than in India. Also, managers had more access to the policy documents in Sweden (in three out of four sectors). Managers in all sectors in Sweden discussed the policy to a greater extent than managers in India. To summarize these results: organizations in Sweden seem to have more formalized EO policies and to implement them to a greater extent than Indian organizations, with regard to writing and updating their EO policy as well as communicating the policy. This might be a consequence of the long tradition of formalizing EO in accordance with the mandated law, which has its roots in the gender equality law that originated in the 1980s.

## **12.7 National Comparisons from Quantitative Data**

### ***12.7.1 General Pattern of Variation Between Organizations in India and Sweden***

We found that, for most variables, there were greater differences between Indian organizations than between Swedish organizations in their expressions of CSR and EO. Maybe this can be explained by reference to cultural differences in the two countries. India is a large country with diverse cultures and very many subcultures. Moreover, the organizations sampled in manufacturing and IT are mostly

multinational organizations, whereas the organizations sampled in the education and health sectors are mostly local and private or trust-owned. In Sweden, most of the organizations sampled for this study in the education and health sectors are state-owned/public-owned organizations. The manufacturing and IT organizations sampled in Sweden, although multinational, in most cases had Swedish parent companies. Moreover, in the Swedish health sector, several of the units studied were basically branches of the same parent organization.

Hofstede, talking about the different levels of culture, says, ‘In the case of organizational cultures, the category is the organization as opposed to other organizations—other things, like nationality, being equal’ (Hofstede 1998, p. 8). He further says that, besides national and organizational cultures, there can be occupational cultures, business cultures, gender cultures, age group cultures and so on. However, culture may mean different things across all these categories depending on the different kinds of social systems to which they belong (ibid.). The social systems to which the organizations sampled in this book belong may make a lot of difference to the values they reflect. In his book, *Organizational Culture and Leadership*, Schein (2010) suggests that the leader’s values influence the culture of the organization. Considering the diverse and heterogeneous background of the organizations sampled in India—organizations which are publicly owned, trust-owned, or completely private, multinational, local and national, across four sectors—they might have different kinds of leadership philosophy reflected in their values. Considering the organizational background in the Swedish sample, there is more homogeneity across the organizations/units sampled. Moreover, Sweden is far less diverse in its culture (provincial, linguistic, etc.) compared to India.

### ***12.7.2 Differences Between India and Sweden in CSR***

Swedish managers’ perceptions of internal CSR (caring for employees and supporting employees’ development) were stronger than those of managers in India, with the exception of the manufacturing sector where there was no difference among the countries. Sweden has been a pioneer in discussing work–life issues and work environment. Since the early 1960s, Sweden has been talking about decent work, good work environment and work–life balance. Employees’ health concerns at the workplace and the importance of the work–life balance have long been debated in the Swedish work context. Abrahamsson and Johansson (2013) document the development of the concept of the ‘psychosocial work environment’ in Swedish policy and research during last 100 years. In addition, the majority of Swedish workers belong to one of several labour unions. Due to the strong union presence in Sweden, employees experience good working conditions compared with many other countries. Equality in the workplace and job security are considered important (Porter 2015). Thus it appears that over the years, these values have permeated the national culture such that organizations take social responsibility for their employees.

Indian managers had stronger perceptions with regard to all but one aspect of external CSR: responsibility towards future generations and the society were regarded as more important in India, but no national difference was found with regard to customers' rights. In India, research has highlighted the role of tradition, spirituality and respect in the evolution of the concept of CSR, which is often studied in terms of the philanthropic approach. This is consistent with the long-standing tradition of business involvement in social development needs (Balasubramanian et al. 2005; Jose et al. 2003; Mohan 2001; Sagar and Singla 2004). Chahoud et al. (2005), in their report on CSR in India, describe four phases of the development of the CSR concept. They argue that CSR was present in Indian society and Indian business since the mid-nineteenth century in different forms. The four phases include the philanthropic model, the ethical model, the statist model and the liberal model. All through these phases, the business community has been responsible for social well-being, and welfare has been an integral part of the business model.

With the rise of globalization and economic business rights, the social obligation of business is also rising. Increasingly, CSR efforts in India are being directed towards sustainable business strategies. Despite the forces of globalization and the resulting increase in competition and the pressure to be profitable, the caring or moral motivator has been found to be more pertinent for CSR among managers in India (Arevalo and Aravind 2011). This is in line with the historical tradition in India. However, the recent legislation regarding CSR may have an impact as a push factor, a possibility which cannot be negated. Corporate social responsibility as a concept has been construed largely in relation to philanthropic values by Indian managers from different sectors. Philanthropy as a societal value has long existed in India, through its national philosophy and culture. There is a possibility that now, employees associate it with the need to pursue CSR in organizations.

Swedish organizations did not vary significantly with regard to customers' rights. Indian organizations did vary, but there was no significant country difference in how much customer rights were emphasized. It seems that customers being the most important stakeholders for the organization's performance and effectiveness, organizations across countries and across sectors are highly aware and concerned about the importance of respecting customers' rights.

There was an exception to the general pattern with greater variation between Indian organizations. There was notably higher variation between Swedish organizations as compared to Indian organizations with regard to applying CSR by means of supporting NGOs. Here we also found very large sectoral differences in Sweden. We will discuss these differences in Sect. 12.8.1.

### ***12.7.3 Differences Between India and Sweden in EO***

Variation between the Swedish organizations was remarkably low with regard to the relational and formal aspects of EO. Also, Swedish managers reported a

stronger emphasis on the relational and formal aspects of EO compared to Indian managers. This might be due to the fact that gender equality is one of the cornerstones of Swedish society. The aim of Sweden's gender equality policies is to ensure that women and men enjoy the same opportunities, rights and obligations in all areas of life. The Equality Ombudsman is a government agency that since 1980 has fought discrimination and protected equal rights and opportunities for men and women (since 2009, it has operated with an expanded commission, not only with regard to gender). The overarching principle is that everyone, regardless of gender, transgender identity or expression, sexual orientation, ethnicity, religion or other belief, disability, or age, has the right to work and support themselves, to balance career and family life and to live without the fear of abuse or violence (Diskrimineringsombudsmannen, n.d.).

Legislation to promote equal rights for women and men in the workplace was first adopted in Sweden in 1979 and has been updated several times over the years, most notably with the Equal Opportunities Act of 1991 and the Discrimination Act of 2009. The Discrimination Act prohibits discrimination related to gender, transgender identity or expression, sexual orientation, ethnicity, religion or other belief, disability, or age. The Discrimination Act of 2009 combined seven Swedish anti-discrimination laws, including the Equal Opportunities Act, into one act and established the Equality Ombudsman to enforce this law.

There was another exception to the general pattern, with greater variation between Indian organizations compared to Swedish organizations. Swedish organizations showed a higher variation with regard to the equal quantitative vertical division of labour. This may also be understood in the light of the content of the Equal Opportunities Act, and later on the Discrimination Act, where there has not been any regulation with regard to the quantitative aspect of gender equality by the law.

#### ***12.7.4 Differences Between India and Sweden in the Impact of CSR and EO on Managers' Ratings of Workplace Attractiveness and Performance***

For several CSR and EO variables, but not for all, we found stronger relationships with attractiveness and organizational performance in India as compared to Sweden. This was especially true for external CSR, the quantitative aspect of EO and the relational aspect of EO. The social milieu of India with its diverse cultural parameters, like ethnicity, linguistic background, regional base and religious affinity, is represented in the workforce of any organization. The preferred organizational values are those which bind this diverse workforce and give them the required unique identity and belonging in the organization. External CSR and the quantitative aspect of EO are prominent desirable values in Indian society and seem quintessential to promoting general welfare in the country. India's recent economic

growth has made it extremely salient that progress as a nation calls for more welfare and better human development indicators. That might be a reason why external CSR and quantitative EO have been rated as important organizational values that were found to be correlated with perceptions of attractiveness and performance of the organization.

The association of external CSR with attractiveness and performance also receives support from earlier research, which has reported consistently that socially responsible companies perform better financially than those that are less socially responsible. A meta-analysis by Orlitzky et al. (2003) of 52 research studies over a 30-year period compared CSR with corporate finance performance. The study reports that irrespective of the different methods used to measure the two concepts, by and large, most studies reported a positive correlation between the variables. This finding is consistent with other observations. Researchers claim that the business case for CSR includes improved financial performance, reduced operating costs, long-term sustainability of the company, increased staff commitment and involvement, long-term return on investments, enhanced capacity to innovate, enhanced brand value and reputation, development of closer links with customers, and greater awareness of their needs (Jones 2005).

## **12.8 Sector Comparisons from Quantitative Data**

### ***12.8.1 Differences Between Sectors in CSR and EO***

According to the results presented in Chap. 11, there were significant differences between the sectors for all CSR and EO variables. But these differences were, with some exceptions, of a smaller magnitude than those between nations. For several variables, the differences between sectors were more salient in Sweden than in India. In fact, few variables showed significant differences between sectors in India. India is responding fast to the challenges created by the forces of globalization. In spite of its diverse cultural framework, most of the organizations sampled across all four sectors are mostly private organizations. All these organizations (whether profit-motivated or not) are challenged by the forces and pressures of globalization. Moreover, the values under study—CSR and EO—are currently much under focus because of the new regulation and policies. As CSR in India becomes mandatory for corporates under company laws since 2014, it may have simultaneously created a niche for itself in the priority values of all organizations. The possibility of CSR legislation and the general discussion in the media in the past few years have made all formal sectors take note of it and align it in all possible ways with the core values of the organization, considering, in addition, the traditional socio-philosophical-cultural value of philanthropy.

The differences between sectors showed in most instances a different profile in India and Sweden. We will here discuss the few instances where the influence of

sectors showed a similar pattern in India and Sweden. These relate to single-item indicators of external CSR.

Information technology had the lowest score on the CSR item ‘makes investment to create a better life for future generations’ in both Sweden and India (even though it was not statistically significant in India). This may be because organizations in the IT sector do not have core processes that directly affect the society. The scope for organizations to address environmental issues directly, e.g. by designing production processes, is therefore limited. Compare the manufacturing sector that may have processes that pollute the environment. In this case, the organization has the potential to take responsibility for future generations by redesigning the production process in an environment-friendly way.

The single-item indicator of CSR ‘supports NGOs’ had a similar profile in India and Sweden, where manufacturing and IT scored higher than health and education. The sector difference was more pronounced in Sweden than in India. The health and education sectors by the very nature of their core activities provide services in the domain of public life. The core processes of these organizations contribute to the well-being and growth of the surrounding society by enhancing health and providing education. Moreover, in Sweden, most organizations in the education and health sectors are public-funded, and thus they may not have the potential to fund NGOs for CSR activities. Manufacturing and IT organizations’ core processes are very different, and it is difficult to promote CSR activities in their day-to-day working. In their article on a communicative framework of value in cross-sector partnerships (XSPs), Koschmann et al. (2012) argue that XSPs are an important part of today’s organizational strategies for addressing complex social problems. Their proposition is that the overall value of XSPs does not merely consist in connecting interested parties, but rather it enhances their ability to act, helping them address issues which are otherwise problematic for them to handle. This ability, they argue, enables collective agency through partnership and influences a host of relevant outcomes beyond what individual organizations could achieve on their own. We found this proposition by Koschmann et al. very helpful in understanding how the manufacturing and the IT sectors can attain the requirement of promoting CSR as a value by supporting NGOs and building XSPs. In an earlier section of this chapter, the authors reported from their qualitative data that managers in the IT sector think CSR is a difficult responsibility to be handled in their day-to-day activities in the organization.

### ***12.8.2 Sector Differences in the Impact of CSR and EO on Managers’ Ratings of Workplace Attractiveness and Performance***

The association between CSR and EO and perceptions of attractiveness and organizational performance was approximately similar for the sectors within each

country, but, as discussed in Sect. 12.7.4, the associations were generally stronger for Indian managers than for Swedish managers. However, we observed a few patterns of associations contingent upon sector that were consistent across India and Sweden.

In both the Indian and Swedish health sector, the association between the CSR dimension ‘support for employees’ development’ and perceived effectiveness was higher compared to the other sectors. This indicates that in the healthcare sector, managers have a higher need of development opportunities. Earlier studies carried out in the healthcare sector identified certain elements as good practices for attracting and retaining nurses—the universally relevant concepts of good-quality care, the scope for continuing education, professional autonomy, effective staff deployment and job satisfaction (Buchan 1999; Leiter and Laschinger 2006; Stone et al. 2007). There were more part-time employees in the healthcare sector compared to any other sector in Sweden. In addition, healthcare organizations are characterized by the highest proportion of female employees. Moreover, in Sweden, as healthcare is state-owned and publicly funded, there are high expectations of accountability from the managers.

The data from Indian healthcare managers reveal that the turnover rate is highest in the healthcare sector. On the one hand, this may indicate that because most healthcare institutions sampled in India are private/trust-owned, there is no job security and employee welfare rules are less standardized. On the other hand, it may indicate that a lot of competitive opportunities are available in the healthcare sector in India. Considering this backdrop of healthcare institution samples in both countries and findings from earlier research in the healthcare sector, the importance of CSR in the form of employee development for healthcare managers can be understood.

## 12.9 Gender

It is not possible to explore the organization of work, organizational culture and ethical values without adopting a gender perspective. How industries, sectors, operations and positions are gendered differs over time and between cultures (Ashcraft 2007, 2013). We are particularly interested in two values that can be seen as focusing on both relations between women and men, and social relations within organizations and between the organization and society.

However, the gendered culture was not the main issue in the present study. In order to identify and reflect upon possible differences between national, sectoral and organizational cultures, we chose a sample that contrasted industries that are differently gendered or manned with one gender or both women and men in different positions. Such comparisons are fruitful when it comes to visualizing new patterns and learning (Härenstam 2009; Mills et al. 2006). Three aspects facilitating a gender perspective have been chosen in the design of this study. First, we can explore and compare the perceptions of women and men as managers. Second, we have

deliberately chosen a stratified sample with regard to how sectors are staffed. Third, we have collected data on the vertical and horizontal division of labour between men and women. We have chosen healthcare as a female-dominated sector, IT and higher education as gender-integrated sectors and manufacturing as a male-dominated sector. However, gender patterns are not fixed and need to be explored for each specific study (Britton 2000). We have also explored how the sectors are manned in both India and Sweden. The main focus of the total study is to compare national and sectoral culture. Gendered cultures are also very interesting and could have been explored in more detail. However, we will offer some comments and conclusions on aspects that we were able to study.

First, we summarize some descriptive data with regard to gender. From the organizational interviews, we collected contextual gender variables showing the proportion of women in the organization, among managers and in the top management team. For all these context variables, the proportion of women was higher in the Swedish organizations as compared to the Indian organizations. It was also slightly more common to have a woman as the top manager in the Swedish organizations.

It is worth noticing that the presence of female managers in our sample was somewhat higher than the national average in India and Sweden. Particularly, the proportion of women as top managers (16% in India and 26% in Sweden) seems high. One explanation might be that both education and healthcare have high percentages of women in higher positions.

In the Indian sample, we found no significant correlation between any of these context variables and CSR and EO variables aggregated to the organizational level. Thus, in the Indian organizations, the gendered context did not influence how CSR and EO were perceived. However, in the Swedish sample, we found that in organizations with a higher percentage of women in the management team, there was a greater emphasis on quantitative division of labour as a means of achieving gender equality. The causal direction is not obvious here. A deliberate emphasis on equal numbers of men and women in management positions and on boards could be expected to result in a higher representation of women in positions of power. But higher representation of women in such positions could also strengthen the legitimacy of such a policy. This pattern was especially evident in the Swedish education sector, which had a salient emphasis on quantitative division of labour as a means of gender equality.

We also found that in Swedish organizations with a higher percentage of women, there was a lower emphasis on gender equality in formal procedures and influence over decisions. This could be attributed to the Swedish healthcare sector, which had the highest percentage of women in organizations and the lowest rating for gender equality in formal procedures. In Sweden, as in the present sample, many female-dominated organizations, e.g. healthcare, are public sector organizations where other logics dominate in formal procedures over how decisions are taken with respect to gender equality. Maybe gender equality is taken for granted in these organizations and is not an issue in formal procedures.



Whether the top manager was a man or a woman did not make any difference in how CSR and EO were perceived in the organization.

## 12.10 Limitations

In this section, we discuss some methodological issues that may have affected the results reported in this book. These issues have to do with the sampling procedure, the measurement of the phenomena studied and the cross-sectional design of the study.

There are some limiting factors related to data collection which may influence the possibility of generalizing the results. First, we strategically targeted four specific sectors: manufacturing, IT, healthcare and education. These sectors were chosen because they represent different work objects in the taxonomy by Kohn and Schooler (1983)—things, symbols and people. They also represent industries that are differently gendered. But we cannot claim that the sectors are representative of the whole organized labour market in each country.

It is worth noting that results from gender analyses based on contextual variables in statistical analyses are not easy to detect, particularly in stratified samples of differently gendered sectors, like the present sample. One reason for this is the relatively low power that follows from studying organizations as the unit of analysis. Another reason is that the logic and impact of sectors reduce the possibility of identifying gender per se as an explanatory factor. Our intention in the present study was to choose and compare differently gendered operations, and not to explore gender itself. In India, the healthcare sector has the largest representation of women in the chosen sectors, but it is still not female-dominated. Therefore, the only female-dominated sector that we could possibly draw conclusions about was the Swedish healthcare sector. We still think that it is relevant to study gendered processes in differently gendered sectors to create knowledge about the importance of not taking gender differences as stable and constant.

Even though we made great efforts to achieve a representative three-level data structure for each country (individual managers in organizations in sectors), the organizations within each sector were not randomly selected. It is not feasible to sample organizations in a random manner while being dependent on the benevolent cooperation of the studied organizations. But we have no reason to believe that the sampled organizations are atypical with respect to other organizations in each sector.

There was a different procedure for recruiting managers for the study in Sweden and India. In Sweden, we approached every manager in the participating organizations and asked them to participate, but in India, a snowball sampling procedure was used until 10 managers were engaged in each organization. In both countries, the procedure adopted may have affected the representativeness of the participating managers.

Concerning measurement issues, we did not achieve country-invariant measures for all study variables. The measure for external CSR did not represent the full

conceptual width, based as it was on only two items, nor did it reach an acceptable reliability. These issues may have affected the results. To handle the narrow representation of external CSR, we have in several places in this book presented results based on single-item measures targeting different stakeholders in CSR. However, we do not know anything about the measurement properties of those items with regard to invariance between nations.

There was also a restriction in the variance between the Swedish organizations for the study variables EO\_rel, EO\_form, and customers' rights. This may have affected parameter estimates when the analysis was conducted based on aggregated data.

Finally, the survey questionnaire study was based on a cross-sectional design, where all variables were measured at the same time point. Such a design does not allow causal inferences. For example, we cannot say for sure that the organizational values here studied cause organizations to be attractive. Further research based on longitudinal design is needed to shed light on such issues.

## 12.11 Summary

The findings from our research indicate that sectoral and organizational cultures can influence the perception and practice of ethical values like CSR and EO to a greater degree compared to national culture. The research could not indicate a definite systematic pattern as to how cultures at different levels—national, sectoral, or organizational—interact to influence the expression of values. However, we learned that the understanding of practice and the expression of ethical values are complex and intriguing phenomena in terms of the contextual variables involved.

Taking this further, the legalization/legislation of a certain value makes it more standardized and available for acceptance, awareness, communication and practice. The overall finding of little variation in the relational and formal aspects of EO across organizations in Sweden as compared to India and the greater focus on external CSR across Indian organizations as compared to Sweden suggests the impact of legislation on the acceptance and expression of values.

Additionally, the findings suggest that there can be a global culture which may overshadow national or sectoral culture in the organization. The similarities in value expression across manufacturing sector organizations from Sweden and India as well as IT organizations from both countries indicate the existence of such a culture. Most of the manufacturing and IT companies sampled from the two countries are multinationals.

The cultural rootedness of organizational values in the socio-economic conditions and political history of the country is reflected in Swedish organizations' emphasis on employee care and internal CSR. These values highlight the traditional emphasis on decent/good work and working conditions. In Indian organizations, such factors are reflected in the emphasis on external CSR, highlighting the espoused value of philanthropy.

The multicultural perspective of organizational values can be consolidated through the following major summary findings:

### ***12.11.1 National***

- There is a great deal of similarity between the manufacturing sectors of India and Sweden.
- The IT sectors of the two countries are also similar in many ways.
- There are greater differences in value expressions among Indian organizations compared to Swedish organizations.
- In general, Indian managers use cultural aspects at the macro level to explain why men and women should have different hierarchical positions in the organization. In Sweden, managers wonder why women do not reach the top positions and use explanations on the individual level, such as lack of confidence and the need for coaching.
- Swedish managers reported stronger perceptions than their Indian counterparts regarding internal CSR (caring for employees) and supporting employees' development, with the exception of the manufacturing sector, where no country-wise difference was reported.
- Indian managers reported stronger perceptions with regard to all aspects of external CSR, with the exception of responsibility for future generations.
- Indian and Swedish managers did not differ in their perceptions of responsibility towards customer rights. This can be explained as a result of the universal ethics respected by organizations.
- Variations between Swedish organizations were remarkably low with regard to relational and formal aspects of EO. Also, Swedish managers perceived a greater degree of practice of the relational and formal aspects of EO compared to Indian managers.
- The Swedish organizations showed greater variation with regard to the equal quantitative vertical division of labour than Indian organizations.
- For several CSR and EO variables, a stronger relationship with attractiveness and performance was reported in India as compared to Sweden. This is particularly true for external CSR and quantitative and relational aspects of EO.

### ***12.11.2 Sectoral***

- For several CSR and EO variables, the differences between sectors were more salient in Sweden than in India. In fact, few variables showed significant differences between sectors in India.

- Manufacturing and IT sector organizations scored higher on the CSR indicator of supporting NGOs, whereas in both Sweden and India, IT organizations reported low scores on the indicator of investment to create a better life for future generations.
- In the health sector organizations of both India and Sweden, the association between the CSR dimension of support for employees' development and perceived effectiveness was higher compared to all other sectors.
- There is a higher sectoral difference in Sweden in the sub-dimension of CSR relating to support for NGOs.

### 12.11.3 Organizational

- Compared to national or sectoral differences, there are greater differences across organizations.
- Whereas in general there was greater variation among Indian organizations in the expression of CSR as a value, Swedish organizations reported greater variation than Indian organizations with regard to applying CSR by means of supporting NGOs.
- Swedish organizations which had a high percentage of women on their rolls placed less emphasis on gender equality in formal procedures and influence over decisions.

The findings presented in this chapter will be discussed in terms of their implications for different stakeholders and further suggestions in the following chapter.

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# Chapter 13

## Implications for Stakeholders and Recommendations for Attractive Work

### 13.1 Introduction

This book has presented the authors' findings with regard to how two organizational values—CSR and EO—are conceptualized, presented and perceived in four large sectors in a developing and fast-growing economy (India), and in a developed and stabilized economy (Sweden). Comparison of the results from these two countries has provided knowledge that may be helpful for managers and HR professionals in their efforts to make their organizations attractive workplaces in the globalized context of business processes.

We have shown that organizational values such as CSR and EO are very important for managers' perceptions of performance, their motivation to continue to work for the organization, and their organizational commitment. In fact, more than half of the variance between organizations in terms of managers' commitment and self-rated performance could be attributed to shared values of CSR and EO. This means that shared values are extremely important for organizations that want to recruit and retain competent women and men in managerial positions. This generic result shows that both values are important in many different national and organizational cultural contexts.

In the context of the globalization of business practices, CSR and EO are organizational values that hold organizations to certain common ethical standards, whereby profit and growth have to support sustainability and justice. This is in line with efforts to facilitate multinational companies and institutions in contributing to a more sustainable and fair world where women and men have equal opportunities in their working lives. Therefore, knowledge of the impact of these values on performance and commitment is important for many stakeholders. The results of this research should accordingly apply to society (policy makers), corporate and public sector organizations (employers and in particular HR professionals), managers and potential managers, and finally academics (researchers and students).

We have shown that organizations differ a great deal in their managers' assessment of the organizational values that characterize their workplaces. These differences in managers' perceptions cannot merely be attributed to variations at the level of nation or sector. While there are important differences between countries and sectors, the organization itself is the most important unit in this regard. This means that while the great potential for improvement exists in many organizations, in many others CSR and EO are already a part of the existing organizational culture.

We argue that the findings from our study are important for employer branding. The results contribute to the field of organizational values and employer branding from the perspective of the already employed. We believe that this knowledge can be used particularly in those organizations that compete in the global arena for attracting and retaining the competence they want. Thus, the book offers important lessons for strategic management and HR professionals in general.

The book also generates insights in the field of cross-cultural management research. It provides knowledge about how to compare organizational values in different cultures, e.g. nation-wise and sector-wise. The research illustrated how multiple perspectives of culture (nation versus sector) differentially moderate the relationship between organizational values and attractive work. Students and researchers interested in the methodology of cross-cultural studies may find the methodology applied here useful.

The present chapter is organized into two parts. The first part, which discusses the generic implications of the study, is based on the major findings of the research, keeping the multicultural perspective of organizational values in view. Then second part offers specific implications and recommendations for different stakeholders: employers and HR specialists, potential managers, policy makers and organizations promoting multinational collaborations, researchers and students.

## **13.2 Generic Implications and Recommendations**

The major findings from this research are presented below in terms of recommendations and implications.

### ***13.2.1 The Impact of Organizational Values***

*Managers' perception of values affects the organization's effectiveness and attractiveness.* This suggests that if managers and employees perceive and believe the values that the organization promotes and communicates, this will potentially make the organization more attractive, which in turn may contribute to high and effective performance. Organizational values matter for the effective performance and attractiveness of the organization.



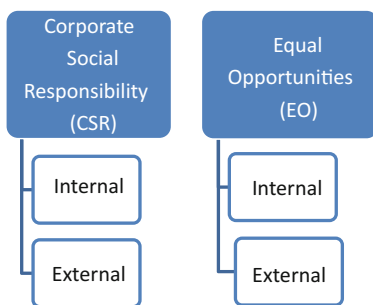
*Working with values is worthwhile.* We have shown that managers in the same company share opinions on how they assess their company with regard to organizational values, and we have shown that organizations differ a lot in this respect. This means that it matters what is actually done at the organizational level. This is a very good argument for working with planned change of organizational processes based on a shared idea of what management wants should characterize the organization. Managers can then initiate change in organizational practices by means of well-considered decisions in their day-to-day managerial work, that gradually will make those values permeate through the organization.

*Both CSR and EO are important and attractive organizational values.* We found that both CSR and EO are attractive organizational values important for the retention of employees. Accordingly, we argue that CSR and EO are important organizational values to consider in employer branding.

*The values of CSR and EO include both internal and external aspects.* We view internal CSR and internal EO in the organization as dimensions of an organization’s work environment, and we have found that these values influence the attitudes of employees towards the organization, i.e. their organizational commitment. This is similar to the findings reported by Tanwar and Prasad (2016). We argue for the importance of regarding CSR and EO as ethical values with both internal and external aspects (see Fig. 13.1). Thus, CSR can be directed towards the organization’s own employees (internal CSR) and/or external stakeholders. Even though we studied only the internal aspects of EO, we emphasize the importance of considering the external aspect also. The organizational value of internal EO concerns the working conditions of employees, whereas external EO concerns how the organization and its employees treat external stakeholders (customers/patients/clients) from a gender perspective. Accordingly, organizations have to question whether customers/patients/clients are receiving equal treatment regardless of gender.

As part of an organization’s employer brand, ethical values are potential of interest to those organizations that want to create sustainable value for both internal and external stakeholders.

**Fig. 13.1** CSR and EO are ethical values which include both internal and external aspects (Prepared by the authors)



### ***13.2.2 Legislation and National Culture Strengthen Each Other***

The findings of our study suggest that legislation plays an important role in creating an impact on organizations in terms of generating awareness among employees and the implications of this at the organizational level. Legislation helps to disseminate values through the organization.

Further, national culture and traditions complement legislation. Our results are consistent with the cultural traditions of the two countries. A strong national drive for decent work and the existence of a well-built system of labour unions contributes to Swedish managers' greater emphasis on internal CSR as an effective value. On the other hand, the age-old philosophical tradition of philanthropy might create a greater emphasis on external CSR as the desired value among Indian managers. However, the value of external CSR directed to future generations has not yet been imbibed to the same degree among Indian managers, as the idea of sustainability as a desired value is still sinking in. On the contrary, CSR was found to be conceived more in line with an emphasis on sustainability in Sweden, following the European Commission's definition of CSR. In addition, Swedish managers' greater emphasis on formal and relational aspects of EO in organizations is also in line with the proposition of sustainability.

These findings indicate that legislation helps in creating systematic awareness and acceptance of particular values as desirable organizational values. A legislated value is more easily accepted and translated into regular action by employees. Otherwise, when the organization wants to brand a particular value as desirable and important for it, it has to make an extra effort through internal and external communication and strategic action to make employees internalize the value in question.

### ***13.2.3 Global and National Cultures***

*Global culture overshadows national culture in multinational organizations.* Most manufacturing organizations are multinational in nature. The research suggests that the manufacturing sectors in the two countries are more similar than dissimilar. This finding is in line with Hofstede's proposition, 'think locally, act globally' (Hofstede 1998). In other words, multinational organizations today act and design their practices more in terms of the global context, framing their value propositions accordingly. However, differences among manufacturing organizations may emerge from the application of these values in local contexts depending on national culture.

*Even if the organization matters the most, it is important to take the national culture into account when talking about organizational values.* Organization-level differences are more pronounced in managers' perceptions of values, attractiveness and effectiveness compared to national or sector-wise differences. We acknowledge our limitations in controlling for many other pertinent influences, like the private or

public nature of the organization, its size and structure, etc. on organizational values and the perception of those values in terms of the attractiveness and effectiveness of the organization, which might have in many ways affected this variation. Nevertheless, the authors realized that irrespective of these potential influences, national context and the overarching framework of values in that context may permeate through the organization and affect the perceptions and beliefs of individual managers. Therefore, the authors suggest that even if the organization matters most, it is important to take national culture into account when talking about organizational values.

### **13.2.4 Gender Aspects**

*The same values are attractive for both women and men in all sectors and in both India and Sweden.* Gender had surprisingly little impact on the results. We conclude that whether the organization is female-dominated, mixed-gender or male-dominated does not matter for how organizational values are perceived. Thus, it seems as though values are understood and given similar importance independent of the gender composition of organizations.

*Women and men as managers have similar perceptions of CSR and EO.* The results indicate that whether the manager is a woman or a man does not matter. This is an important message for companies in their branding activities.

*The research design comparing sectors with different gender compositions might have made it difficult to reveal gendered aspects.* This may be explained by the group under study. All the informants work in organizations with different gender compositions. The Swedish healthcare sector is the only female-dominated sector in our sample. If we had had an even larger sample, with more female-dominated sectors, maybe it would have revealed more gendered aspects. Moreover, all the informants were managers. Perhaps if other employees had been requested to assess organizational values, there might have been differences between male-dominated, female-dominated and mixed-gender organizations. This means that the type of sector matters more than gender in itself. However, it is a fact that sector and gender composition are closely linked to each other, as the labour market is very gender-segregated.

## **13.3 Specific Implications and Recommendations**

### **13.3.1 Implications for Employers and HR Specialists**

Attractive work has been mentioned and discussed in different contexts sporadically. There is very little research that uses attractive work as a major concept. This

book has explored the constructs of attractive work and the attractive workplace and sought to relate them to organizational variables.

*Managers' perspectives on organizational values and ethics are important for organizational attractiveness.* Mostly, the attractiveness of the workplace has been assessed from the perspective of potential employees, like students and candidates on the job market. The present work has sought to understand the attractive workplace from the perspective of managers who are already working with an organization. Managers' perceptions are important for understanding the relationship between organizational values and attractiveness because of their position and role in organizations. Managers have a critical role in creating and preserving the organizational culture; further, they are in a position to take actions intended to increase the attractiveness of an organization as an employer.

The concept of attractive work and employer branding has been discussed from both a marketing and an HR perspective. This work has made an attempt to understand organizations' communication through policies and other documents as well as the perceptions of managers within organizations, making a bridge between marketing, organizational theory and HR perspectives.

*The values of EO and CSR are ethical values that combine societal and company interests.* The implications of these results should include increased awareness of the importance of an open and broad view when an MNC brands itself as an employer so as to attract highly competent managers with other aspects than monetary rewards. In contemporary society, there is a tendency to appeal to people's sense of meaningfulness. Thus, organizational values should focus on more than the employer–employee relationship. Organizational values should also benefit the broader society and attract both women and men.

We argue that organizations should strive for organizational values that create a sustainable working environment and a sustainable society for all. Based on our results, we believe that CSR and EO are values that aim for sustainability in the cultural settings of India and Sweden. Needless to say, there might be other ethical values having an impact on sustainability in the global arena.

*Legislation helps to disseminate, but managers still need to promote values through systematic communication.* The results suggest that there is better awareness about values that are legislated or rooted in the culture. Somehow, when it comes to internal and external communication about values, e.g. through popular media or on websites, organizations show a reluctance to promote values that are already legislated and thus mandatory. In spite of such legislation and the general awareness regarding these values, employers should brand themselves based on these values and communicate them to strengthen their ethical stance and use it to their advantage to attract and retain employees.

*Legislation helps in translating espoused values into action components.* Managers have the discretion to translate espoused values with legal status into action components and make them a part of strategic practices in the regular business processes of their organizations. Such practices appear normative and desirable to the larger society, as against values that are ethically desirable but do not yet enjoy legal sanction. In turn, these values also become instrumental in

making the workplace more ethical and attractive for existing and potential employees.

*Doing is believing.* By translating espoused values into strategic actions, organizations also make employees see what the organization stands for, thus promoting ownership of these values.

*Certain organizational values can be more important in one sector and thus need to be emphasized.* In the healthcare sector (both in India and in Sweden), the relation between support for employees' development and the perceived effectiveness of the organization is stronger than in other sectors. This means that in order to be effective, healthcare organizations need to give active support to internal CSR, particularly with regard to professional development. This finding is in line with other research done with healthcare sector employees.

*The top management team is responsible for structuring how they want the organization to communicate, implement and practise organizational values.* One important observation is that communicating organizational values and implementing and practising them in day-to-day life should not be treated as separate or even different things. The implications of these results show how important it is to have structured systems for practising values and to find ways for different organizational units to cooperate with regard to how values should be communicated, implemented, and practised and how they should be branded.

*The organizational values as perceived by existing employees have to be concordant with policies and practices to have an effect and to make a difference in the employer branding process.* We argue that the organization's existing values should be identified, as they are perceived by employees; the top management team has the responsibility of investigating employees' perceptions of existing organizational values. If the management team appreciates these organizational values, such values can be included in employer branding. They then need to:

1. institutionalize the identified organizational values in steering documents, like policy documents and codes of ethics;
2. make sure that these steering documents are congruent with the organization's vision and mission and other values branded by the organization;
3. include the identified organizational values in the EVP;
4. communicate the values externally and internally; and
5. in larger organizations with more specialized functions, encourage collaboration between the different units (such as HR, marketing, and communication)—the greater the specialized functions, the more the different units need to communicate.

*Consistency in branded values, employees' experience and company culture will help attract and retain the best managers.* When the values, steering documents and behaviour are in alignment, the organization will have a better chance of not breaking the psychological contract between an employer and employee, as there will be 'consistency between the employer brand and employment experience, company culture and values' (Moroko and Uncles 2008, p. 173). Moroko and

Uncles call this situation a ‘sustained success’, when potential employees are attracted to the organization, and their experience when employed matches the perception they formed during the recruitment process (see Fig. 2.1).

On the other hand, if the management team finds that an organizational value (that they want the organization to be associated with) is not perceived by existing employees, a change process is needed before the value can be included in the employer branding process. It is crucial that no organizational value is branded if it is not part of the organizational culture. If employees do not associate a value with a particular organization, the value, steering documents and behaviour will not be congruent. Instead of sustained success, according to Moroko and Uncles (2008), there will be a strategy mismatch if a value is branded but the organization is not able to deliver on the EVP.

*There is room for improvement in many organizations.* Organizations differ a lot in how far their culture is characterized by these values. This is a hopeful finding because it shows that managers may have great potential to influence the values in their organizations by carefully analyzing the consequences of various decisions for organizational practices. Even though managers may have very little power to influence what individual employees regard as highly valued, they can always shape their own managerial behaviour and lead by example. By acting in favour of a certain value, for example, EO, managers could be expected to drive the values slowly in a favourable direction. Declaring the organization’s view on various ethical values in policy documents may also facilitate this to some extent, but only if these documents are in concordance with what managers actually do and promote through their day-to-day managerial practice.

*Be sensitive to national culture when branding organizational values in global companies.* The results of the research presented in this book have some interesting implications with regard to how ethical values and their manifestations were perceived in the two cultural contexts of India and Sweden. Perhaps most important, the core meaning of the two values scrutinized in this book seems to have been to a large extent the same in the two different national cultures. However, certain manifestations of organizational values were different in relation to the core meaning of the values. For example, the qualitative interviews showed that EO had different connotations in India and Sweden.

Even though the core meaning of the values seem to be the same across cultural contexts, it is necessary that the message conveyed through internal and external communication by all parts/units of the organization should be the same. This foregrounds the question of to what extent policy documents should be the same globally in multinational organizations, or whether the communication should be adapted to local cultural contexts. The question does not have a straightforward answer.

One way to handle this issue in global organizations is to consider the impact a branded organizational value may have, to know what the organizational values stand for, and in what way the values may be culture-sensitive. If one standard is adopted in one country and another standard in another country, the conclusion may be drawn that the organization is not trustworthy globally, i.e. it relays different

messages in different parts of the world. For example, an MNC that expresses the importance of EO in its Swedish branch should not depreciate the importance of EO in its Indian branch. On the other hand, if steering documents are not sensitive to cultural expressions, they may not be taken seriously in branches in different countries. For example, if an MNC establishes a business in Sweden and communicates a CSR policy which contains expressions regarding sustainability and concern for the environment that are far behind the standards and practices that have emerged in the Swedish division, this policy is not likely to be taken seriously.

### ***13.3.2 Implications for Potential Managers***

*Search for an organization that you like.* When potential employees had a preference for certain organizational values, like CSR and EO, but did not perceive them to be much emphasized in their previous work organization, the person–culture fit is absent. The variation in perceived organizational values between organizations in the same sector suggests that it is likely that the preferred values can be found in another organization in the same sector. Further, potential managers might be guided when applying for a new position to ask for the employer’s views on their preferred values. If a manager values EO, he or she may be very observant in this regard when applying for a position as manager. It might also be a good idea to talk to existing members of the organization for their perception of the prevailing state of practice. Employees who experience congruence between their own values and the values of the organization have less intention to leave the organization, and experience increased (individual) commitment, satisfaction and performance (O’Reilly et al. 1991).

In addition, organizations within the same sector differ greatly in the way these two values are communicated and practised. There may be stereotypes in the society at large about how these values are promoted in different sectors of work; for example, the belief that a male-dominated sector (e.g. the manufacturing sector) is less gender-equal than a female-dominated or gender-mixed sector. But our findings do not support these stereotypes. Thus, potential employees have to be careful in selecting their organization by not getting influenced by stereotypical perceptions of the sectors, and by judicious evaluation of the communicated values of the organization.

### ***13.3.3 Implications for Policy Makers***

*Policy makers can help companies contribute to a democratic and socially sustainable work life.* It is interesting that legislation has an impact on the imbibing of values in the organizational context. The research results suggest that law enforcement seems to affect the implementation and practice of values. Policy

makers get support in setting up policies and regulations regarding enforcing values that are important for the society and not only for organizations. The results also show that social values such as CSR and EO matter when it comes to attracting good managers. When these managers implement and practise these values in their day-to-day HRM practices, these values also affect large numbers of employees. The results can help develop a comprehensive understanding of the importance of CSR and EO in organizations in the historical and legal contexts of India and Sweden. In such a way, organizations can contribute to the development of our societies in a global world.

*Policy makers should consult and commission more academic research for strategic decision-making.* Our research findings have been eye-opening on many counts—the national, cultural, sectoral or organizational differences in formalizing, implementing and communicating organizational values; and how these values may influence managers' perceptions of the attractiveness and effectiveness of organizations. On the basis of this understanding, we argue that systematic, well-designed, appropriately analysed academic research studies may provide invaluable inputs and insights to policy makers, enabling them to take context-specific, culture-sensitive strategic decisions for the effective performance of organizations. Thus, policy makers should encourage and collaborate in generating more multi-cultural, cross-cultural, multi-sectoral research on organizational values and their consequences to create a generic and comparative understanding of the multicultural perspective on attractive workplaces in the global arena.

### ***13.3.4 Implications for Researchers***

Multicultural perspectives in cross-cultural research have implications for the design of valid empirical research. The research that we undertook for this book has yielded some important lessons that we want to share.

*Plan for research procedures to ensure measurement equivalence.* Measurement equivalence is absolutely crucial in quantitative cross-cultural research. If we cannot trust that our measures are understood similarly in the cultural contexts we are researching, it is not possible to make valid inferences from the results. Procedures to test for measurement equivalence have developed enormously in recent decades and are now rather easily accessible to researchers and students. Quantitative methods using multi-group structural equation modelling, in combination with the qualitative method of cognitive interviews, were a fruitful combination in the research reported in this book. However, it is important to bear in mind that it takes a lot of effort and resources to achieve invariant measures. Several iterations involving the refinement of items and new data collection may be needed in order to achieve invariant measures. This requires a lot of resources, but measurement equivalence is necessary to be able to compare means between cultural



contexts for making valid interpretations of the research findings. Researchers need to plan accordingly and allocate time and resources for this initial part of the research.

*Apply a multi-method approach.* The book highlights the importance of the multi-method approach and illustrates how meaningful and valid comparative cross-cultural organizational research can be carried out. Using both qualitative and quantitative methods has been very fruitful in understanding the phenomena that we have studied.

*Taking multiple layered and nested cultures into account is important.* We have explored whether, apart from national cultures, different organizational contexts like a sector or gender composition may affect the understanding of an attractive workplace. National culture is not the only factor that is of importance. Culture tied to organizational belonging was a strong factor. Culture connected to multinational business structures can be as strong as national cultures. Researchers need to design studies so that it is possible to understand how multiple layered and nested cultures affect the phenomena studied. This involves strategic sampling and representation of selected cultural frameworks. Furthermore, it is important to sample sufficient numbers of units at higher levels so as to permit inference with reasonable power.

## 13.4 Conclusions

Organizational values such as CSR and EO are very important for managers' perceptions of performance, their motivation to continue to work for the organization, and their organizational commitment. This means that it is important for organizations to implement these values in order to recruit and retain competent women and men in managerial positions. This generic result shows that both values are important in many different national and organizational cultural contexts. A general conclusion is that there is a need to create arenas for dialogue between the academy, HR professionals, business people and policy makers on organizational values. Our results, which are based on already employed managers' perceptions, show the importance of including an internal perspective in the field of attractive work. This book combines the concepts of organizational values and commitment with roots in organizational behaviour science and the concept of employer branding rooted in the field of marketing. Conceptualizing organizational values with a branding approach will increase the applicability and benefit of the concept for both research and practice. Such an integrated approach will contribute to the effective performance of organizations, employee satisfaction and commitment, and the development of a sustainable society.

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