Electronic Journal of Business Ethics and Organization Studies

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In this issue:

Manuscript Submission and Information for Authors

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Editorial objectives

Electronic Journal of Business Ethics and Organization Studies EJBO aims to provide an avenue for the presentation and discussion of topics related to ethical issues in business and organizations worldwide. The journal publishes articles of empirical research as well as theoretical and philosophical discussion. Innovative papers and practical applications to enhance the field of business ethics are welcome. The journal aims to provide an international web-based communication medium for all those working in the field of business ethics whether from academic institutions, industry or consulting.

The important aim of the journal is to provide an international medium which is available free of charge for readers. The journal is supported by Business and Ethics Network BON, which is an officially registered non-profit organization in Finland. EJBO is published by the School of Business and Economics at the University of Jyväskylä in Finland.

Reviewing process

Each paper is reviewed by the Editor in Chief and, if it is judged suitable for publication, it is then sent to at least one referee for blind review. Based on the recommendations, the Editor in Chief decides whether the paper should be accepted as is, revised or rejected.

The process described above is a general one. The editor may, in some circumstances, vary this process.

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• the spesific suitable conferences or
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The final selection is made by the Editor in Chief, with assistance from the EJBO's Editorial team or from Conference Editorial team. In the case of conference papers, articles have already been reviewed for the conference and are not subjected to additional review, unless substantial changes are requested by the Editor.

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The manuscript should be submitted in double line spacing with wide margins as an email attachment to the editor. The text should not involve any particular formulations. All authors should be shown and author's details must be printed on a first sheet and the author should not be identified anywhere else in the article. The manuscript will be considered to be a definitive version of the article. The author must ensure that it is grammatically correct, complete and without spelling or typographical errors.

As a guide, articles should be between 3000 and 8000 words in length. A title of not more than eight words should be provided. A brief autobiographical note should be supplied including full name, affiliation, e-mail address and full international contact details as well as a short description of previous achievements. Authors must supply an abstract which should be limited to 200 words in total. In addition, maximum six keywords which encapsulate the principal topics of the paper should be included.

Notes or Endnotes should be not be used. Figures, charts and diagrams should be kept to a minimum. They must be black and white with minimum shading and numbered consecutively using arabic numerals. They must be refereed explicitly in the text using numbers.

References to other publications should be complete and in Harvard style. They should contain full bibliographical details and journal titles should not be abbreviated.

References should be shown within the text by giving the author's last name followed by a comma and year of publication all in round brackets, e.g. (Jones, 2004). At the end of the article should be a reference list in alphabetical order as follows

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Values – One of the Most Important Issues in Business Life

EDITORIAL

Tuomo Takala, Editor in Chief

As we know, a lot of articles have been written about values. Ethical values are often understood as synonymous with human values, but we can also speak of personal values, corporate values, gendered values, work-values etc. The empirical studies on values, including in this EJBO issue, contain many topics linked with values of making business in our multicultural world.

Aadland states that the qualitative case study approach to eight Norwegian organizations was rewarding, pursuing both espoused core value practice and tacit values-in-use influences. Environmental influences from great society were found in different practices of engaging in planned value implementing efforts. Some organizations made substantial efforts of introducing and maintaining value reflections, while others cherished ideals in the direction of humility and speechless virtue behavior. Structural values were identified at some of the institutions, being present in routines and power structures. These were, however, rarely discussed and reflected upon, leaving this as a challenging area of further research. Values in primary activity were cared for by some of the organizations, showing great concern for transmitting the value perspective all through the firms' basic activities. Others were less aware of this, placing their efforts within maintaining staff motivation. The focus on maintenance and development of personal qualities, is the most integrated and applied perspective on value based management within the eight organizations of this study. However valuable, this is a rather limiting perspective. Value based management of the future is challenged to be more radical and thorough in its applications – at least if the competitive demand of differentiation accelerate Value work influences organizations' capacity of change. In several of the eight organizations the notion of having a "strong" and successful culture was counteractive to innovation and change. In others, value formulations of change as valuable in itself secured necessary commitment to creativity and innovation. Management was found crucial to value integration and reflection. Where top management assigned value work to others, a decline in interest and motivation was apparent.

Bernardi and Bernardi find that after analyzing their research data, several relationships become evident. The presence of female board members has tangible effects on a company's social responsibility. This agrees with much of the previous research that has been done in studies of similar topics. The number of women on a company's board is strongly correlated with social responsibility in three areas (employees, community, and charitable contributions), as well as with overall social responsibility. Also, the presence of pictures of a company's board is correlated with attention to environmental issues. The first area that exhibited an association with the number of female directors is that of social responsibility to employees. The employee component of this study is based on measures that include a company's benefits and policies toward female employees. This correlation is in line with findings by Dolliver (2004) that showed a link between family friendly benefits and female directors. This finding concurs with Rosener's (2003) article suggesting that advancement opportunities for women were more available in companies with female board members. The next association was found between the number of female directors and community involvement. Companies with women on their boards are more likely to sponsor or create organizations that benefit the surrounding communities and also are more likely to have a formal employee volunteer program in place. These results confirm those presented by the Conference Board of Canada (2002) study, which showed that companies with female directors put more emphasis on non-financial performance measures, such as social responsibility. Third, the number of female directors has a positive relationship with a company's charitable giving habits. Companies with women on their boards are more likely to have matching donation programs and/or commit themselves to charitable giving. This is also in concurrence with the Conference Board's findings.

Abreu in her study put forth that demographic variables can, to some degree, be used to profile the environmental knowledge and attitudes of LPG consumers in

Fortaleza. The environmental issues are related to demographic characteristics exactly as hypothesized. Since the hypotheses were based largely on research undertaken in developed countries it seems that the way demographic variables influence environmental attitudes is similar between developed countries and. According to the study's findings, environmental demands are just beginning to be a factor for purchasing decision by consumers in Fortaleza. The percentage of people who take these demands into account in purchasing is consistently low for all ages, income brackets and levels of education. The survey found that most consumers don't know the meaning of environmental management nor check whether or not the company they're buying LPG has any environmental or risk management practices. In spite of the lack of comprehension, consumers consider it extremelly important to purchase their LPG containers from companies that don't have a negative impact on the environment and have a high regard for companies that manage LPG health and safety risks. The fact that younger aged LPG consumers are more concerned about environmental and risk issues than other age groups may be related to the Environmental Education National Policy, which makes environmental education in schools mandatory. It is of importance for companies to provide positive feedback on a regular basis in order to show costumers that they really are making a difference. Businesses which seriously consider environmental issues may create a sustainable competitive advantage. The paper sheds light on the multifaceted aspects of consumer environmental attitudes about liquefied petroleum gas in Brazil, which has an extraordinary social, cultural and ecological diversity.

The need for businesses to become better engaged in environmental practices requires ongoing knowledge of the overall effect of demographic characteristics on consumer behavior. Such information would allow companies to identify and implement strategies to gain competitive advantages through customer relationships and position themselves as having an image of environmental responsibility.

A Demographic Analysis of Consumer Environmental Attitudes about Liquefied Petroleum Gas in Brazil

Mônica Cavalcanti Sá De Abreu
Jonatan César Lins

Abstract

During in 1990s, structural reform of the Brazilian economy within the framework of neo-liberal policies brought about a change in the market competition and the purchase behavior of consumers. This study was aimed at identifying the extent to which purchase behavior of Liquefied Petroleum Gas (LPG) consumers reflects environmental concerns. The analysis was based on four demographics characteristics: education level, age, annual income and gender. The study profiled LPG consumer concerns in relation to these characteristics. A survey of 384 LPG consumers identified that a low percentage of respondents knew the meaning of environmental management. Cross-correlation studies demonstrated that such knowledge increases at higher educational and annual income levels and among younger age groups, but it is not influenced by gender in a statistically significant way. Good environmental performance and company risk management are expected by LPG customers, but most don't take these issues into account when purchasing. The study reveals that environmental demands are just beginning to be a determinant for LPG consumers in Brazil. Education of the consumer is seen an appropriate method for companies to increase perceived convenience and establish credibility.

Keywords

Environmental Management; Green Marketing; Consumer Behavior, Liquefied Petroleum Gas Industry; Socio-Demographics Variables.

Introduction

Beginning in the 1990s, Brazil has undertaken a major restructuring of the oil and gas industry as part of the overall effort to reduce the involvement of the government in the economy through the framework of neo-liberal policies under the "Plano Real" (Green, 2003). This framework can be seen as composed of three main blocks: market focus (trough trade liberalization), industrial change and a regime of incentives and regulations (Ferraz, et al, 1999). The competitive integration strategy can also be described as a market friendly approach to industrialization.

Trade liberalization, aimed at increasing both imports and exports and exposing the local industry to international competition, has changed the market focus. Industrial change included privatization of state companies and encouragement of foreign direct investment (FDI). Decreasing government intervention in the economy (deregulation) has been the main feature of the regime of incentives and regulations.

Brazil has changed fundamentally and in the recent period it has experienced a more stable process of democratization of its social and political institutions. Structural reform has meant that businesses are experiencing new pressures from regulators, clients, NGOs and media to become more transparent and accountable for their social and environmental impacts (Oliveira, 2006). Miles and Covin (2000) have shown that consumers demand high quality products and prompt delivery services consistent with societal and environmental values.

For the oil and gas industry the structural reform involved regulation and inspection by the new National Petroleum, Natural Gas and Biofuel Agency (ANP). Also, the energy corporation, named Petrobras, which is controlled by the Brazilian Government lost its monopoly. Activities, such as exploration, production, refining and distribution are carried out through concession or authorization in accordance with Brazilian Laws. These laws also require that companies have their headquarters and administration in Brazil.

These reforms allowed Liquefied Petroleum Gas (LPG) distributers to produce gas themselves or buy it from any other company. In theory, the reforms aimed at stimulating competition and participation of international companies in the Brazilian market. However, the logistic systems established by Petrobras act as entry barriers to new companies and Petrobras is the only company currently supplying LPG to distributers. In 2002, the situation was further complicated when the Brazilian government ended LPG price control. Thus, the distributer role is limited to filling the containers and delivering them to consumers.

There is considerable competition among LPG distributers but since the product is the same, companies attempt to gain competitive advantages through customer relationships. In order to increase market share companies continually re-allocate resource to improve their service to consumers while complying with regulations.

Given the significance of consumer relationships to LPG distributers it is important for them to understand how demographics characteristic influence consumers' attitudes and purchase decisions. This research examines this question in the Brazilian city of Fortaleza (population 2,375,000) in Northeastern Brazil which is one of the most underdeveloped regions of the country.

The paper is structured as follows. The next section examines the common hypotheses and theoretical explanations relating environmental concerns and demographic variables. The third section discusses the survey methodology while the fourth section presents the results. The final section draws conclusion as to where these efforts have brought us with respect to environmental attitudes among different types of LPG consumers in Brazil.

Demographic Influences on Environmental Knowledge and Attitudes of Consumers

Most large manufacturing firms now devote substantial time and resource to environmental management. This is important as it allows industry to contribute to ecologically sustainable development through the application of total quality environmental management processes or through the redesign of products and manufacturing technologies (Pujari and Wright, 1996).

Corporations are able to employ technologies to reduce the environmental impacts of production, increase efficiency in the use of raw material and energy, and optimize logistic systems to avoid any unnecessary impact on the environment during transportation. Furthermore, by systematically broadening their understanding of the impact of products, manufacturing processes and wastes on the natural environment, they can contribute to the formulation of practical and effective standards, laws and ordinances that afford better protection of mankind and the environment (Daub and Ergenzinger, 2005).

Abreu (2009) suggests that both environmental pressures and organizational characteristics cause firms to adopt environmental management practices. Companies should understand stakeholders' demands and pay special attention to market contexts and their internal organizational capabilities before making individual decisions about environmental approach.

Over the years, consumers have realized that their purchasing behavior had a direct impact on many ecological problems. According to D´Souza et al (2006), consumer interest in safeguarding the environment has made "greening" an important issue for managers and marketers. Concerns for environment protection have given rise to the notion that consumer purchases may be somewhat influenced by their attitude toward environmentally safe products.

Laroche et al (2001) indicates that demography is one of the five characteristics related to environmental responsibility that may influence customer's purchases along with knowledge, values, attitudes and behavior. He suggests that an environmentally conscious person can be characterized as female, pre-middle aged, with a high level of education (finished high school) and above average socioeconomic status. According to Diamantopoulos et al (2003), demographic characteristics are often used to identify market segments for profiling and targeting strategies.

The demographic characteristics commonly employed in marketing studies included gender, age, education level and income. Based on the available empirical evidence, Diamantopoulos et al (2003) pointed out that there is a lack of convincing theory regarding the impact of gender. Other studies, such as Jain and Kaur (2006) demonstrate that there is a significant relationship between gender and environmental knowledge.

Varies studies reach different conclusions about whether males or females are more environmentally aware. Jain and Kaur (2006) concluded that males tend to have a better knowledge about green issues than females, because they are generally more outgoing, and, hence, more exposed to the environmental information. However, Straughan and Roberts (1999) found that females exhibit higher concern and participate in various types of green behavior. Starr (2009) pointed out that women tend to shoulder more responsibility for shopping than men because they tend to be more knowledgeable about product choices. Based on these conflicting conclusions it is hypothesized that:

H1: There is no relationship between gender and knowledge about environmental issues.

With regard to age, Diamantopoulos et al (2003) postulated that younger people are more concerned about environmental quality. It is expected that youth support environmental reform and accept pro-environmental ideologies more than their elders. Straughan and Roberts (1999) argued that they grew up at the time when environmental concerns had already become a prominent issue.

For Starr (2009) young people have been educated more recently and may have a better grasp of problems related to environment and global warming than older people, so that the intrinsic value they attach to consuming ethically would be higher. Giving these arguments the following hypothesis is proposed:

H2: Younger people are more concerned about environmental issues than their elders.

A large number of studies have investigated the impact of education on environmental consciousness (Diamantopoulos et al, 2003). Consumer research recognizes knowledge as a characteristic that influences all phases in purchasing decision processes. Specifically, knowledge is a relevant and significant factor that affects how consumers gather and organize information, how information is used in purchasing decision making and how consumers evaluate products and services after purchase.

Diamantopoulos et al (2003) suggested that the better-educated are more knowledgeable about environmental issues and more concerned about environmental quality. Therefore, the higher-educated are more motivated to behave in an environmental responsible manner. Newell and Green (1997) pointed out that level of education may be indicative of environmental concern and increase with years of education. Starr (2009) argued that a person consumes ethically, as a result of acquiring and processing information on social, ethical and environmental issues. Therefore, a hypothesis is postulated for this component of the environmental domain:

H3: The better-educated are more knowledgeable about environmental issues.

Finally, regarding income a number of studies have shown that consumers with medium or high incomes are more likely to act in an ecologically compatible manner. Diamantopoulos et al (2003) postulated a positive relationship based on the fact that people from a higher social class are more concerned with and actively involved in environmental issues.

Straughan and Roberts (1999) pointed out that higher income consumers are able to pay additional costs associated with supporting green causes and favoring green products. Starr (2009) argued that even if higher-income people are more likely to buy ethically than others, it is not clear that they are likely to adopt a broad array of ethical practices. On the other hand, Newell and Green (1997) reported that there are mixed finding concerning the relationship between income and environmental concern. The following hypothesis is proposed:

H4: Higher income people have greater environmental knowledge.

Gilg et al (2005) pointed out that the impact of socio-demographics variables on green consumption has led to the over-simplification of causative relationships. There is still a stereotypical view that green consumers are young, female, well educated, liberal and wealthy.

Extensive research has tried to categorize consumer environmental attitudes. However, it has focused predominantly on explaining motivation and practices by consumers in developed countries (e.g. Forbes et al, 2009; Welsh and Kühling, 2009; Rowlands et al, 2002; Hume, 2009).

According to Steenkamp and Burgess (2002), very little consumer research has been conducted in emerging consumer markets and transitional economies (ECMs), even less with large,

broadly representative samples. In this context, Brazil differs culturally, economically, and demographically from European and North America countries. At present, it is experiencing a historically unique and rapid rate of sociopolitical and economic change. The analysis describe in this paper is useful to answer the question whether or not the influence of demographic variables in consumer environmental attitudes in Brazil are similar to that in developed countries.

Methodology

A survey was undertaken to identify the environmental considerations that influence the purchacing decisions of LPG consumers. These consumers buy 13kg containers of LPG for use as fuel in cooking. The survey involved the residents of Fortaleza, a city in Northeastern Brazil, with a population of 2,375,000 according to estimates by to the Brazilian Institute of Geography and Statistics (IBGE, 2006).

Fortaleza is a city of large variations in socioeconomic conditions. For this reason, it was decided to use a stratified sample based on the six administrative regions of the city. This study adopted the following parameters: maximum permissible error (d= 5%); significance (95%; z=1.96); population (2,375,000); number of households (593,704); success probability (P = 50%) and failure probability (1-P = 50%). The following equation of standard error of a proportion was used to determine the sample size:

$$n = z^2 . P (1-P)/d^2$$

Based on this equation, the survey was administered to 384 consumers. The sample was distributed by region in proportion to the number of households as shown on Table 1. Survey participants were selected randomly by municipal region and participants were limited to LPG residential consumers (homeowners), over 18 years of age who are responsible for LPG purchase. The inclusion criteria were designed to standardize the sample and achieve a more comprehensive diagnostic framework.

A pilot study involving 40 respondents was initially used to test the questionnaire. The questionnaire was then revised and these respondents were excluded from the final sample. In the second phase, after the corrections, the final questionnaire was applied to the sample of 384 as shown in Table 1. A group of interviewers was selected for each regional subdivision, and given training on how to use the final questionnaire. The questionnaire was applied to customers at the time they purchased the container of LPG. The data collection phase took place during three months in 2006.

The first part of the questionnaire collected information on demographic characteristics: gender, age, annual income and education level. The remaining questions collected data on wide range of issues related to environmental and risk management. Most of these questions asked respondents to answer with "yes", "no" or "never thought about it". Other questions involved a 5 point Likert scale with 1 "never" to 5 "always" or a 3 point Likert scale with 1 "low importance" to 3 "high importance".

The questions covered knowledge of meaning of environmental management; the identification of one or more companies (not necessarily LPG companies) that practiced environmental management in Fortaleza; whether or not the respondent had bought a LPG from a company accused of being a polluter and the identification of which of the four LPG distributers were considered to be the most environmentally conscious. The risk management questions covered the extent to which respondents had acess to information about risks in handling LPG; the importance given to specifc health and safety risks associated with

LPG and whether or not environmental, health and safety issues were taken into to account in purchasing decisions.

Cross-correlation was used to analyses the relationship between demographic variables and environmental issues on purchasing decision process. Statistical calculations used single frequency, percentage and average to test the hypotheses outlined in the previous section of this paper.

Results

The demograhic characteristics of the sample are presented in Table 2. They included age, education level, gender and personal annual income. Typical characteristics of the respondents are female (55.7%); 18 to 29 years old (27.6%); primary school educated (48.0%); and annual income between US$ 4,940 and US$ 7,410 (35.9%). The characteristics of the sample are representative of the population of Fortaleza according to IBGE surveys (2006).

In this context, Brazil and particularly the Northeastern part of Brazil has significant economic and demographic differences from European and North America countries. There is a majority of women and despite gradual aging the Brazilian population is young relative to developed countries.

According to Carlos Chagas Foundation (2006), educational level has gone up steadily over the years. In 1976, 35% of the population had no education or had completed less than a year of school. However by 2002, this number had dropped to 12%. Changing income distribution in Brazil shows a small reduction in the number of workers with low earnings. In 1976, 56% of men and 68% of women earned less than two minimum wages (less than US$ 2,470). In 2002, 51% of men and 58% of women earned less than two minimum wages. These proportions vary among regions of the country. For example, in the Northeast 68% of men and 61% of women earned less than two minimum wages in 2002 (Carlos Chagas Foundation, 2006).

Crosstabs analysis was conducted related four demographic variables (education level, age, annual income and gender) to environmental attitudes. Statistical test concerning the validity of the results. Understanding of environmental management is highly correlated with educational level, age and annual income level. However, the variable gender does not influence the consumers knowledge of environmental management in a statistically significant way (p = 0.349).

Overall only 27.6% of respondents knew the meaning of environmental management. On the other hand, Table 3 show that 70.0 % of university educaded respondents had an understanding of it and that educational level is positively correlated with knowledge of environmental management.

The survey revealed that more individuals aged between 18 to 29 years (35.8%) understand environmental management than other age groups (Table 4). This result reflects the fact that individuals of this age group have acess to more information on environmental issues than others.

The results show that overall 68.1% of respondents with annual income of more than US$ 12,350 knew the meaning of environmental management (Table 5). The result show that respondent knowledge of environmental management increseas with income level.

When ask to indicate a company that practices environmental management in Fortaleza, over 80% of respondents could not identify any firm, as shown in Table 6. LPG companies were just behind bottled water companies in terms of frequency of identification. However, the level of LPG companies may reflect the fact of this question is part of the survey involving these

companies.

In 2006, Fortaleza had eight companies with environmental management systems certified by ISO 14001, including two oil and gas companies, one eletricity distributer, four textile firms and one wastewater treatment company. Those companies that are giving attention to environmental management are doing a poor job of comunicating their actions. Communication is an important sign that a firm is committed to environmental management and maintaining relationships with the stakeholders.

Good environmental performance and risk management are expected by most LPG customers (91.7%) despite the lack of knowledge about what does environmental management means (Table 7). Cross correlation with educational level shows that this is the case at all educational levels with percentages ranging from 83.3% for those with no education to 95.0% for those with university.

Environmental issues are also considered important for all age groups, ranging from 85.3% for people over 50 to 94.4% for those from 18 to 29 years old, as shown in Table 8. Similarly, the importance of environmental issues is high (over 90%) at all income level.

However, when respondents were asked if they had bought LPG from a company accused of being a polluter 46.6% of them said they had not and another 40.4% of them said they never thought about this issue, leaving only 13% who said they had (Table 9). Crosstab analysis shows that the environmental performance of a company may still not be a significant factor in purchasing decisions even amoung consumer likely to have a high level of education. Similar behaviour was found for costumer of all ages (Table 10), as well as customers at all income levels.

These types of results were also confirmed when consumers were asked if particular issues, such as, environmental impact of the products and the companies environmental management systems or other conservation practices were taken into account in purshasing decisions, as shown in Table 11.

Thus, the survey clearly indicate a significant divergence between what consumers say they expect from LPG distributers and what they taken into account in their actual purchasing behaviour. This divergence is probably the result of a lack of knowledge of environmental, health and safety aspects of LPG. LPG is a combustible product composed of propane and butane. Submitted to high pressure LPG is liquid but at atmospheric pressure it is gaseous. It is flammable and toxic and can kill by asphyxiation. The survey reveals that only 24.2% of consumeres have some knowledge about the environmental impacts of LPG while 57.8% do not and 18% never think about the issue (Table 12).

The survey showed that 97.4% of consumers considered the safety of the seals on LPG containers to be the most important

health and safety aspect. Other important issues are the lack of container defects (95.6%), risks in consumption (91.4%) and the disagreable smell of the LPG (91.2%), as shown in Table 13. Regarding the smell, people are not aware that the substance named mercaptan is introduced by the supplier in order to permit easy identification of gas leakage.

The respondents were not satisfied with main sources of risk information concerning LPG handling (Table 14). Consumers main sources of informations were media and product packaging. Although laws require companies to provide information to their costumers about health and safety issues, there is probably an oportunity for companies to do a better job of this. Improved trainning of employees having direct contact with costumers and information publications could be considered. In particular, employees, should inform customers about procedures in case of leakage, how to handle LPG containers and contacts in case of product complaints. Despite the lack of information, most customers (86.7%) place high importance on buying products which are safe.

During the survey consumers were asked to identify the leading environmental responsible company. At the time of the survey, four LPG distributers had operational activities in Fortaleza. These companies are identified herein by the letters A, B, C and D, in order not to expose their names, as shown in Table 15. The leading company was identified by 74% of respondents while the company considered to be least environmental responsible was identified by only 8.1% of respondents.

The Company identified most frequently is also the market share leader and has captured the image of an environmentall responsibility company and is seen as having a highly safe product. In fact, Company A was the first independent distribuiter to operate in Fortaleza. That company has used comunication programmes to develop consumer loyalty which is easily associated with environmental, health and safety concerns.

Discussion and Conclusion

Demographic variables can, to some degree, be used to profile the environmental knowledge and attitudes of LPG consumers in Fortaleza. The environmental issues are related to demographic characteristics exactly as hypothesized. Since the hypotheses were based largely on research undertaken in developed countries it seems that the way demographic variables influence environmental attitudes is similar between developed countries and Brazil.

The survey makes it clear that environmental concerns vary significantly across education levels, age and annual income but not across gender. Younger consumers with high levels of education and high incomes seems to have more knowledge and views of what is important about environmental issues, but they don't really take these considerations into accounting in purchasing decisions.

According to the study´s findings, environmental demands are just beginning to be a factor for purchasing decision by consumers in Fortaleza. The percentage of people who take these demands into account in purchasing is consistently low for all ages, income brackets and levels of education.

The survey found that most consumers don't know the meaning of environmental management nor check whether or not the company they're buying LPG has any environmental or risk management practices. In spite of the lack of comprehension, consumers consider it extremely important to purchase their LPG containers from companies that don't have a negative impact on the environment and have a high regard for companies

Table 1 – Regional breakdown of sample in Fortaleza

Regional division	Households	Population	Sample size
1	94.302	377.209	61
2	86.458	345.833	56
3	94.408	377.632	61
4	72.038	288.153	47
5	125.560	502.238	81
6	120.938	483.750	78
Total	**593.704**	**2.374.815**	**384**

Table 2 - Demographic characteristicis of the sample

Variables	Range/ Characteristic	Number (N)	Percentage (%)
Age	18 to 29 years	106	27.6
	30 to 39 years	92	24
	40 to 49 years	84	21.9
	50 year or more	102	26.6
Education level	No education	48	12.5
	Elementary/Middle school	184	48
	High school	112	29.2
	University	40	10,3
Gender	Male	170	44.3
	Female	214	55.7
Annual income	Less than US$ 2,470	44	11.5
	US$ 2,470	119	31
	US$ 4,940 to US$ 7,410	138	35.9
	US$ 9,880 to US$ 12,350	36	9.4
	More than US$ 12,350	47	12.2

Table 3 - Educational level and knowledge of environmental management

Educational level	Knowledge of environmental management			
	Yes		No	
	Freq	%	Freq	%
No education	8	16.7	40	83.3
Elementary/ Middle school	31	16.8	153	83.2
High school	39	34.8	73	65.2
University	28	70.0	12	30.0
Total	106	27.6	278	72.4
x^2 of pearson = 52.90	(p = 0.000)		V of Cramer = 0.371	

Table 4 - Age and knowledge of environmental management

Age	Knowledge of environmental management			
	Yes		No	
	Freq	%	Freq	%
18 to 29 years	38	35.8	68	64.2
30 to 39 years	15	16.3	77	83.7
40 to 49 years	27	32.1	57	67.9
50 years or more	26	25.5	76	74.5
Total	106	27.6	278	72.4
x^2 of pearson = 10.58	(p = 0.014)		V of Cramer = 0.166	

Table 5 - Annual income level and knowledge of environmental management

Annual income	Knowledge of environmental management			
	Yes		No	
	Freq	%	Freq	%
Less than US$ 2,470	5	11.4	39	88.6
US$ 2,470	22	18.5	97	81.5
US$ 4,940 to US$ 7,410	30	21.7	108	78.3
US$ 9,880 to US$ 12,350	17	47.2	19	52.8
More than US$ 12,350	32	68.1	15	31.9
Total	106	27.6	278	72.4
x^2 of pearson = 58.61	(p = 0.000)		V of Cramer = 0.391	

Table 6 - Industry sectors that practice environmental management

Sector	Number (N)	Percentage %
Bottled water	23	6.0
LPG distributers	19	4.9
Oil and gas	7	1.8
Textile	2	0.5
Food	2	0.5
Supermarket	2	0.5
Regulatory agency	2	0.5
Don't know	317	82.6
Others	10	2.6
Total	384	100

Table 7 - Educational level and importance of environmental issues

Educational level	Importance					
	Low importance		Neutral		High importance	
	Freq	%	Freq	%	Freq	%
No education	3	6.3	5	10.4	40	83.3
Elementary/ Middle school	5	3	11	6	168	91
High school	2	1.6	5	4.1	116	94.3
University	1	3.4	-	-	28	96.6
Total	11	2.8	21	5.5	352	91.7

Table 8. Age and importance to environmental issues

Age	Importance					
	Low importance		Neutral		High importance	
	Freq	%	Freq	%	Freq	%
18 to 29 years	2	1.9	4	3.8	40	94.4
30 to 39 years	2	2.2	2	2.2	168	95.7
40 to 49 years	3	3.6	4	4.8	116	91.7
50 years or more	4	3.9	11	10.8	28	85.3
Total	11	2.9	21	5.5	352	91.7

Table 9 - Educational level and purchasing behaviour related to companies accused of being polluters

Educational level	Purchased from a company accused of being polluters					
	Yes		No		Never thought about it	
	Freq	%	Freq	%	Freq	%
No education	6	12.5	21	43.8	21	43.8
Elementary/Middle school	28	15.2	80	43.5	76	41.3
High school	8	7.1	63	56.3	41	36.6
University	8	20.0	15	37.5	17	42.5
Total	50	13.0	179	46.6	155	40.4

Table 10 - Age and purchasing behaviour related to companies accused of being polluters

Age	Purchased from a company accused of being polluters					
	Yes		No		Never thought about it	
	Freq	%	Freq	%	Freq	%
18 to 29 years	13	12.5	51	48.1	42	39.6
30 to 39 years	12	13	42	45.7	38	41.3
40 to 49 years	10	11.9	37	44	37	44
50 years or more	15	14.7	49	48	38	37.3
Total	50	13.0	179	46.6	155	40.4

Table 11 - Environmental aspects that consumers pay attention before purchasing

Environmental aspects	Consumers pay attention before purchasing			
	Yes		No	
	Freq	%	Freq	%
Product impacts the environment	44	11.5	340	88.5
Company has implemented EMS or other conservation practices	45	11.7	339	88.3

Table 12 - Knowledge about LPG environmental impacts

Knowledge about environment impacts	Frequency	Percentage (%)
Yes	93	24.2
No	222	57.8
Never thought about	69	18
Total	384	100

Table 13 - The importance of health and safety aspects in purchasing

Health and safety aspects	Importance					
	Low importance		Neutral		High importance	
	Freq	%	Freq	%	Freq	%
Seal's safety	6	1.6	4	1.0	374	97.4
No container defects	10	2.6	7	1.8	367	95.6
No risks in consuming	16	4.2	17	4.4	351	91.4
No bad odors	16	4.1	18	4.7	350	91.2

Table 14 - Main sources of risk information concerning LPG handling

Sources of information	Attention									
	Never		Sometimes		Don't know		Frequently		Always	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Product packaging	118	30.7	114	29.7	18	4.7	38	9.9	96	25.0
Distributer	244	63.5	79	20.6	12	3.1	28	7.3	21	5.5
Media	78	20.3	136	35.4	12	3.1	78	20.3	80	20.8
Don't perceive need for information	137	35.7	132	34.4	33	8.6	48	12.5	34	8.9
Door to door promoter	341	88.8	25	6.5	13	3.4	4	1.0	1	0.3

Table 15 - Consumer views about environmental concern of company

Company recognized as environmental responsible	Freq*	%
A	284	74
B	108	28.1
C	98	25.6
D	31	8.1
No answer	43	11.2
*OBS: The respondent could choose more than one company		

that manage LPG health and safety risks.

The fact that younger aged LPG consumers are more concerned about environmental and risk issues than other age groups may be related to the Environmental Education National Policy, which makes environmental education in schools mandatory. The education of the consumer is seen as an appropriate method for increasing perceived convenience and establishing credibility.

The survey clearly indicate that consumers think environmental and safety issues related to LPG are important but lack information on whether or not companies are taking action on these issues. LPG distributiers have an opportunity to strengthen consumer relationships by disseminating practical information to the costumer on the handling of LPG. It is of importance for companies to provide positive feedback on a regular basis in order to show costumers that they really are making a difference. Businesses which seriously consider environmental issues may create a sustainable competitive advantage.

Some limitations in this study should be recognized. First, the survey is limited to Fortaleza city. We can not generalize our results to a Brazilian context, because many parts of the country are more developed than Fortaleza and stakeholders are more demanding. Clearly more research is need in this area. A second limitation is that because the research design was cross-sectional, the present study does not shed light on changes in environmental demands over time. The third limitation is the exclusion of non demographic consumer variables. Following Diamantopoulos et al (2003), some of the associations observed in the survey may not reflect "true" relationships but "noise" associated with the measurement process. More research is needed to study other variables, such as values, actions and knowledge.

In spite of these limitations, the paper sheds light on the multifaceted aspects of consumer environmental attitudes about liquefied petroleum gas in Brazil, which has an extraordinary social, cultural and ecological diversity. The need for businesses to become better engaged in environmental practices requires ongoing knowledge of the overall effect of demographic characteristics on consumer behavior. Such information would allow companies to identify and implement strategies to gain competitive advantages through customer relationships and position themselves as having an image of environmental responsibility

Environmental concern is a market place reality, surveys such as one described in this paper not only help establish the potential to implement environmental management practices, but also provide interesting insights into the role played by social dynamics in emerging economy, such as Brazil.

Acknowledgments

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Women Directors and Corporate Social Responsibility

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Abstract

The successes and failures of organizations are contingent on the decisions of senior management and its board of directors. Personality and experiences may have a tangible effect on the decision making process. This study assesses whether or not gender has a tangible effect on an organization's decisions. A sample of Fortune 500 companies were examined to determine whether companies with a higher proportion of women on their boards of directors are more socially responsible. In general, a diversity of people generates a diverse set of opinions that impacts and improves the decision-making process. Our expectation was that gender diversity will increase socially responsible behavior by a corporation. The results of this study confirm our research question; an association was found between the number of female directors on a corporate board and the incidence of corporate social behavior including: charitable giving, community involvement, and outside recognition of employee benefits.

Keywords

Female Directors, Corporate Social Responsibility

Introduction

Campbell and Mínguez-Vera (2008) suggest that the diversity in board's composition can be measured using such demographics as: gender, age, ethnicity, nationality, educational background, industrial experience and organizational membership. The issue of having women on boards of directors is a topic that has been visited many times. While arguments have been presented both favoring and opposing the idea of increasing female representation, the majority of recent studies tend to show the positive effects of gender diversity on corporate boards. The number of women who serve on corporate boards is increasing. In 1995, only 9.6 percent of board positions in the Fortune 500 were held by women, compared to 13.6 percent in 2004 (Speedy, 2004, p. 24). In 2000, 73 percent of corporate boards had at least one female member, with 25 percent having more than one woman, up from 18 percent in 1998 (Anonymous, 2000, p. 25). By 2004, 87 percent of companies had at least one female director (Anonymous, 2004, p. 27).

With the ongoing increases in female representation on boards of directors, the benefits and costs of diversity on corporate boards have been widely discussed. A number of studies (Arfken et al., 2004; Carter et al., 2003; Daily and Dalton, 2003) have outlined the benefits of diversity. One major advantage is that having a variety of opinions from groups who have been traditionally underrepresented gives a company a broader range of knowledge and professional contacts than were previously available. Additionally, Bernardi et al. (2009, 2006) note that boards with a higher percentage of women were significantly more likely to appear on Fortune's "Best companies to work for" (2006) and Ethisphere's "Most ethical companies" list. However, a limitation of these studies is that they are 'snapshot' views of corporate social responsibility (i.e., only considering a one year timeframe).

Given the presence/absence of corporations on various published lists (i.e., Fortune's Best Companies to Work for list), we believe that a longitudinal evaluation is a more precise measure of corporation's sustained commitment to its social responsibilities. Consequently, this study examines whether the increased female representation on corporate boards translates to measurable outcomes in the area of corporate social responsibility over a three-year period. Our research examined whether corporations with a higher number/percentage of female directors act on these priorities by engaging in activities that evidence corporate social responsibility.

Literature Review

Corporate Decision Process

More ideas, information, and resources are available when the company's board has access to different people and perspectives (Daily and Dalton, 2003). A diverse group tends to analyze decisions more thoroughly than one in which the members are all demographically similar. This sort of analysis reduces the potential for unethical decisions, as well as those that may harm a company's image (Arfken et al., 2004). Better decision making is more likely to prevail with a variety of opinions and independent thought (Arfken et al., 2004). This also makes the board more likely to challenge questionable management practices and thus reduce the risk of corporate corruption (Ramirez, 2003).

Companies with high female representation on their boards tend to have stronger corporate governance than those with few or no women on the board of directors (Rosener, 2003) and consider the needs of a wider range of stakeholders than male directors (Konrad and Kramer, 2006). This study also found that boards with three or more women were significantly more likely to have conflict of interest guidelines and company codes of conduct than all-male boards. Boards with female directors also tend to use more non-financial performance measures (such as innovation and social responsibility) to evaluate their companies than their all-male counterparts (Stephenson, 2004). This is especially important, as corporate governance policies have been under scrutiny following recent corporate scandals.

Diversity

Gender diversity among a board of direc-

tors is also closely tied to a company's internal culture (Bernardi et al., 2002). According to Ramirez (2003), the only means of achieving meaningful diversity in both the workplace and society as a whole is by starting with corporate governance - corporate boards of directors. Bernardi et al. (2004) showed that electing women to a company's board leads to more women in the company being appointed to senior management. For example, companies that began 1995 with female directors had 30 percent more women in senior executive positions than companies that had all-male boards in 1995 (Rosener, 2003, p. 17). Additionally, companies with female directors tend to have benefits that are more woman-friendly, such as longer maternity leaves than companies with only male directors (Dolliver, 2004). As the board of directors becomes more receptive to women, this positive attitude tends to trickle down into all levels of the company (i.e., from executives down to the staff). For example, the presence of female board members also signals potential to current female employees about their chances for advancement within the company (Rosener, 2003; Bernardi et al., 2004).

A more even gender mix on the board of directors also helps a company better understand and attract the diverse population that has the potential to become its clients (Arfken et al., 2004). This allows a company to better penetrate its existing markets. How important are female directors to a company's understanding of consumers? According to some, "women either control or influence nearly all consumer purchases, so it's important to have their perspective represented on boards" (Gutner, 2001, p. 134). In 2004, women wrote 80 percent of all checks, spent over $5 trillion on consumer and business purchases, and made up nearly half of all investors (Flynn and Adams, 2004, p. 35). Women purchase over 75 percent of all goods and services in North America (Stephenson, 2004, p. 3). Women are a huge market force, and understanding the female perspective is essential to generating goods and services that meet consumer wants and needs. One example of this can be seen in Nike's addition of a women's division. In 1990, Jill Conway, who at the time was the only female board member at Nike, worked to persuade her fellow board members that Nike needed a division focusing on women's sports apparel. While her proposal was initially rejected, she finally convinced the rest of the board. By 1993, the women's division accounted for 20 percent of domestic revenues, and revenues for the division were continuing to grow (Rosener, 2003, p. 9).

Financial Considerations

The benefits of having female directors translate into financial success as well. New ideas and perspectives become new strategies, products, and services, which generate sales and profits. A recent study shows that the level of diversity on a board of directors is directly associates with shareholder value as companies with more diverse boards use these advantages to improve themselves (Carter et al. 2003). One author likens diversity and experience to intangible assets that generate returns for shareholders (Biggins, 1999). As companies increase the number of women serving on their boards, their customers tend to be more satisfied, revenues and profits tend to increase, and the companies tend to develop a more positive corporate environment. When measured by return on assets and return on investment, companies with diverse boards were significantly more profitable than companies with homogeneous boards (Erhardt et al. 2003). According to Catalyst, companies with the highest percentage of female board members returned 34 percent more to shareholders than companies with the lowest percentage of women (Speedy, 2004, p. 24).

Other Considerations

While having women on a company's board of directors has many potential benefits, these benefits do not come without a measure of cost. Several articles have mentioned the disadvantages of attempting to diversify a company's board of directors. Companies with smaller boards tend to be more homogeneous, and composed of individuals who are close to the company and familiar with its inner workings. While this situation may lack gender diversity and its associated benefits, it can be the best means of operation for a company by keeping the business (Iverson, 1995).

Another objection is that corporations are not instruments of social change; consequently, corporations should not be diversified unless there is a clear economic benefit. Several corporations were brought under scrutiny for opposing efforts to diversify their boards. These companies did not want to disrupt effective boards solely to promote diversity. Nucor CEO Ken Iverson refers to this as "social engineering" (i.e., diversity for its own sake) and feels that it is at odds with providing what is best for shareholders (McMenamin, 1995).

While arguments can go both ways, there has been an increased demand for women on corporate boards. Companies want directors that reflect the demographics of the American population as well as their specific consumer bases (Rosener, 2003). One survey showed that 24 percent of all new directors appointed to S&P 500 companies in 2004 were women - up from 19 percent in 2003 (Marshall, 2004, p. 17). Consulting firms and executive recruiters have been met with a flurry of demands for senior-level women to serve as directors (McMenamin, 1995). Overall, today's corporate board is composed of younger, more diverse members than in the past (Anonymous, 2000). A recent study that focused on academia, found that women were generally more ethical (Becker and Ulstad, 2007) than their male counterparts. Research also notes that women were more sensitive to unethical behaviors (Stedham, et al., 2007).

Sarbanes-Oxley requires corporations to have more independent directors, and an entire generation of male directors is resigning due to age. These factors led to a number of openings on corporate boards, and companies are considering more women than before for these positions. For example, some research suggests that the additional women bring to a board's decision-making process is enhanced when there are three or more female members on the board (Bernardi et al. 2009; Konrad and Kramer, 2006). While the number of boards with this level of membership was 76 in 2005, 84 of the Fortune 500 companies had this level of female membership in 2006 (Catalyst, 2007).

Social Responsibility

McGuire (1963) defines social responsibility as an obligation to society that extends beyond a company's economic and legal responsibilities. Socially responsible behavior also benefits companies. A 1999 study showed that the most important non-financial factors for investors were social performance towards the community, women, minorities, and employees, as well as environmental and product safety (Cox et al., 2004). Additionally, corporate social responsibility can lead to increases in financial measures. Better employee motivation, customer goodwill, and lower transaction costs result from corporate social responsibility (Cox et al., 2004); however, the benefits also extend beyond the corporation.

Ramirez (2003) presents an interesting view of the effect that corporations have on American society. Because wealth and economic strength play such a large role in society, the behavior of corporations will also have a great impact on American society.

However, this corporate behavior is often influenced from the highest levels, with attitudes at the director level trickling down to all aspects of the company (Bernardi et al., 2005). Those companies that promote gender diversity by setting an example with their boards of directors are, in effect, promoting the advancement of women within their companies and in society. The question then remains: are those companies that bring women onto their boards of directors more likely to be involved in other positive social actions? We examined whether there was an association between female directors and measurable corporate social responsibility.

RQ: Does an association exist between the gender mix on the boards of directors of Fortune 500 companies and the incidence of these corporations' social responsibility?

Methodology

Overview
This study looked at 143 companies that were included in the Fortune 500 list over a three year period. The data were drawn from annual reports that were available from company websites and Mergent Online. Each annual report was examined to determine if it included pictures of the company's board of directors, as well as information on the company's social responsibility activity. The social responsibility activities were broken up into nine areas spread across four categories, and each company was given a score based on its involvement in each area of social responsibility. A regression analysis was performed to examine both total scores and category scores to a number of independent variables.

Defining Corporate Social Responsibility
To fully examine this area, the concept of social responsibility must first be defined. One study (Pava and Krausz, 1998) defines social responsibility through both specific actions (such as charitable donations, environmental awareness, and employee stock ownership) and outside ratings. These outside ratings included lists such as "100 Best Companies to Work For," "50 Best Companies for Women," and "50 Best Places for Blacks to Work." While these work as criteria for measuring social responsibility, they do not yet comprise a definition of the concept. McWilliams and Siegel (2001) consider corporate social responsibility to be "actions that appear to further some social good, beyond the interests of the firm and that which is required by law" (p. 117). Another important consideration is that "a comprehensive assessment of a firm's social performance should encompass a range of aspects" (Cox et al., 2004, p. 29). Under this definition, corporate social responsibility can be broken down into actions that improve three groups: employees, the industry, and society as a whole (Brown, 2001, p. 1).

Measuring Corporate Social Responsibility
The social responsibility rating system for this study incorporates several of these ideas. The score was based on each company's involvement in four different aspects of social responsibility: employees, environmental concerns, community involvement, and charitable giving. Each company's rating was based on the information in its annual report, 10-K filing with the SEC, or equivalent annual statement. The annual report was chosen because it is universal across industries, readily accessible, and provides a means of comparison over time. While this does not include all available information about a corporation's social responsibility (i.e., websites and other types of reports), it is a standardized means of measurement. This study also relied heavily on self-reported information; the employee rating was based on outside evaluations, while the other three areas are based on information provided in the annual report.

Dependent Variables
Our dependent variables of corporate social responsibility examined the level of corporate awareness demonstrated by a commitment to: (1) employees, (2) community involvement, (3) monetary contributions, and (4) environmental consciousness. Corporate responsibility towards employees was gauged using three lists: "100 Best Companies to Work For," "50 Best Companies for Minorities," and "100 Best Companies for Working Mothers." The first two lists are created by Fortune magazine. The "50 Best Companies for Minorities" list looks at a variety of criteria, including corporate culture, hiring and promotion practices, and diversity initiatives (Hickman et al., 2003, p. 103). The "100 Best Companies to Work For" list is largely based on employee opinions of a company's human resource practices and corporate culture, as well as an objective evaluation of the company's practices and employee benefits (Levering et al., 2003, p. 127). The "100 Best Companies for Working Mothers" list is compiled by Working Mother. This list is based on work/life initiatives offered by each company, as well as how equitably family benefits are provided within the company. These three lists look at a wide variety of elements making up employee satisfaction, and provide a fair basis of comparing social responsibility regarding employees.

The second area of corporate social responsibility was community involvement, which is composed of three elements: charitable giving, the creation of community programs, and employee volunteer programs. The first aspect is whether a company donates to or otherwise supports an outside organization that works for some social good. The second element is whether the company has developed its own program or foundation that works for a charitable cause. The final aspect looked at whether or not a company has an employee volunteer program, or involves its employees in charitable causes.

The third area of corporate social responsibility was monetary contributions, which involves two specific criteria. The first is whether or not a company sets a fixed percentage or amount to donate each year; this percentage can be based on sales, revenues, assets, or any similar financial measure. The second aspect of contributions is whether or not the company has an arrangement in place to match charitable contributions made by employees.

The final area of corporate social responsibility was environmental consciousness. This is a very broad area, because this research looks at companies across a number of industries with varying degrees of environmental impact. Because the definition chosen for social responsibility involves actions exceeding what were legally required (McWilliams and Siegel, 2001, 117), the criteria is met if the company's annual report mentions any environmental initiatives that extend beyond the regulations that apply to its industry.

The social responsibility score is both a qualitative and quantitative measure. Each area was considered individually and its various aspects equally weighted. However, larger companies have the ability to sponsor more programs, engage in numerous environmental efforts. Our method controlled for this size advantage by using nominal values. For example, social responsibility towards employees has three aspects, each of which was worth one point - each aspect was given a value of one or zero based on whether it was present or absent. These individual scores were combined to create a quantitative score that was

Table 1. Pearson Correlation Coefficients

Variables	Sum CSR	8	7	6	5	4	3	2
1. Sum Pictures	.13	.15	.09	.03	.15	.15	.21	.20
	.12	.08	.28	.72	.07	.08	.01	.01
2. Sum Female Director	.38	.05	.18	.31	.30	.93	.41	
	.00	.54	.03	.00	.00	.00	.00	
3. Sum Directors	.23	.10	.06	.24	.09	.10		
	.01	.24	.49	.00	.28	.23		
4. % Female Directors	.32	.00	.17	.25	.28			
	.00	.94	.04	.00	.00			
5. Sum Employee	.44	.04	.02	.11				
	.00	.60	.81	.21				
6. Sum Community	.89	.26	.51					
	.00	.00	.00					
7. Sum Charitable	.62	.15						
	.00	.07						
8. Sum Environmental	.40							
	.00							
.XX Correlation coefficient (i.e., square root of R^2)								
.YY Univariate significance of association								

takes on values from zero (i.e., no pictures) to three (i.e., pictures of the board provided in each of the three years).

Our second independent variable is Sum Female Directors. For this variable, we counted the number of women on the boards of directors for companies that provided pictures of their boards in their annual reports. For companies that did not provide pictures of their boards of directors in their annual reports, we examined the each company's proxy statement to determine the number of women on the board. These statements usually contained words indicating gender (i.e., he, she, Ms., Mr. etc.). If there was no indication of gender in the proxy statement, we went to the web and looked for data on the individual (i.e., press statements or articles indicating gender). Our variable sums the number of female directors for each company over the three-year period of our research.

Our third independent variable is Sum Directors. For this variable, we counted the number of directors in each company's annual report. The final variable was the sum of the number of directors over the three-year period of our research. Our fourth independent variable is the percent of Female Directors. For this variable, we divided the Sum Female Directors by the Sum Directors for each company. Our percent of Female Directors variable represents the percentage of female directors over the three-year period of our research.

used to compare companies. The total score was out of nine points (i.e., one point for each aspect for three years): three allocated to employees, three to community involvement, two to charitable giving, and one to environmental consciousness. This score was used to perform a regression analysis.

Independent Variables

Our independent variables were similar to those used in Bernardi et al. (2009, 2006, 2005, 2004, 2002). Bernardi et al. (2009, 2006) note that boards with a higher percentage of women were significantly more likely to appear on Fortune's "Best companies to work for" (2006) and Ethisphere's "Most ethical companies" list. Bernardi et al. (2005, 2002) noted that companies that provided pictures of their boards had a higher percentage of female directors (2002) and minority directors (2005). Bernardi et al. (2004) found that corporations with higher percentages of female directors also had higher percentages of upper-level female executives.

Our first independent variable is Sum Pictures. Similar to the procedure used by these prior authors, we examined the annual reports of our sample to determine which of these companies provided a picture of their boards of directors. However, our variable is the sum of the number of pictures of boards of directors a company provided over the three-year timeframe of our research in their annual reports. Consequently, this variable

Analysis

Overview of the Sample

This research is an extension of Bernardi et al. (2002); consequently, we expect to determine whether or not their finding that corporations with an increased level of female representation on their boards of directors leads to a higher level of corporate social responsibility. The data in Table 1 show the significance levels for the correlations among our variables. The data indicate support for Bernardi et al.'s (2002) finding that pictures of the board of directors in the corporations' annual reports over a three-year period positively associate with higher levels of female directors (p < .02) and the percent of female directors on the board (p < .08). Additionally, our data also indicate that the level of female representation on corporate boards associates with the size of the board (p < .00). Consequently, our data support the earlier findings of Bernardi et al. (2002) over a

Table 2. Stepwise Regression Models

Term	Coefficient	T Stat	Prob T	Partial R^2	Adjusted R^2
Panel A: Employee Issues					
Intercept	-0.17	-0.60	0.55		
SumFemDir	0.19	3.80	<0.00	.093	0.086
Panel B: Community Issues					
Intercept	1.59	3.17	<0.00		
SumFemDir	0.35	3.92	<0.00	.098	0.092
Panel C: Charitable Activities					
Intercept	0.13	0.71	0.48		
SumFemDir	0.07	2.16	0.03	.032	0.025
Panel D: Environmental Issues					
No significant variables					
Panel E: Sum CSR					
Intercept	2.40	3.31	<0.00		
SumFemDir	0.62	4.87	<0.00	.144	0.138
SumFemDir	Total number of female directors over the three-year period.				

three-year period.

The correlation matrix also indicates that female representation on boards of directors associates with corporate social responsibility (female directors: p < .00; percent of female directors: p < .00). The data indicate that both the number of female directors and the percentage of female directors associate with EMPLOYEE, COMMUNITY, and CHARITABLE. The data also indicate that the overall size of the board associates with the COMMUNITY variable but none of the other three variables used to measure corporate social responsibility.

Corporate Social Responsibility (RQ)

We used stepwise regression as our initial modeling process because we wanted to determine the order in which the variables went into our model and their individual contribution to that model's explanatory power (i.e., each variable's partial R^2). We used the regression models provided in JMP (SAS Institute, 2009) statistical and discovery software, which is a statistical package designed for use on a personal computer. The adjusted partial R^2 in our tables are from the stepwise regression modeling. After identifying the variables that were significant at the 0.05 level, we also analyzed the reduced set of variables using multiple regression; the data in the tables are from these analyses.

Our research question examines whether an association exists between the gender mix on the boards of directors of Fortune 500 companies and the incidence of these corporations' social responsibility. The data were analyzed using multiple regression for the five dependent variables demonstrating corporate social responsibility: EMPLOYEE, COMMUNITY, CHARITABLE CONTRIBUTIONS, ENVIRONMENT and TOTAL CSR (i.e., the sum of the first four dependent variables).

In a linear regression model, the Intercept term is the constant (or average) when all of the independent variables are set to zero. The values for Sum Female Director indicate that the levels of Employee, Community, Charitable, and Total CSR increase when female member(s) are present on a corporation's board of directors. The data indicate support for our research question; however only one independent variable was significant in four of the five models shown in Table 2 for the various individual measures of corporate social responsibility and for the combined variable. Our analyses indicate that the FEMALEDIR associates with four of our five dependent variables: EMPLOYEE (p = .00), COMMUNITY (p = .00), CHARITABLE CONTRIBUTIONS (p = .03), and TOTAL CSR (p = .00). Sum Pictures was only marginally significant (p = 0.08) for the Sum Environmental variable.

As noted in Table 2, only one variable entered each model; Table 1 suggests the explanation for these results. Our independent variable Sum Pictures (Sum Directors) was only significant for our Sum Environmental (Sum Community) dependent variable. Additionally, Sum Female Directors was not significant for our Sum Environmental Variable. Our independent variable Sum Female Directors was more significant and/or explains more of the variation than either Sum Directors or % Female Directors for the dependent variables Sum Employee, Sum Community and Sum Charitable. Additionally, a component of % Female Directors is Sum Female Directors; consequently, once Sum Female Directors entered the model, % Female Directors was no longer significant.

Conclusion

After analyzing the available data, several associations become evident. The presence of female board members has tangible effects on a company's social responsibility. This agrees with much of the previous research that has been done in studies of similar topics. The number of women on a company's board is strongly correlated with social responsibility in three areas (employees, community, and charitable contributions), as well as with overall social responsibility. Also, the presence of pictures of a company's board is correlated with attention to environmental issues.

The first area that exhibited an association with the number of female directors is that of social responsibility to employees. The employee component of this study is based on measures that include a company's benefits and policies toward female employees. This correlation was in line with findings by Dolliver (2004) that showed a link between family friendly benefits and female directors. This finding concurs with Rosener's (2003) article suggesting that advancement opportunities for women were more available in companies with female board members.

The next association was found between the number of female directors and community involvement. Companies with women on their boards are more likely to sponsor or create organizations that benefit the surrounding communities and also are more likely to have a formal employee volunteer program in place. These results confirm those presented by the Bernardi et

al.'s (2009 and 2005) studies that showed that companies with female directors put more emphasis on non-financial performance measures, such as social responsibility.

Third, the number of female directors has a positive relationship with a company's charitable giving habits. Companies with women on their boards were more likely to have matching donation programs and/or commit themselves to charitable giving. However, our data indicate that only 3.2 percent of the variation was explained by our model (i.e. the other 96.8 percent cannot be explained by variables we used in this research), which provides an opportunity for future research.

With these findings, it is no surprise that the total social responsibility score was also positively correlated with the number of female directors at a company. This confirms the study's initial hypothesis. A significant positive correlation exists between the presence of female board members and corporate social responsibility. Companies wishing to increase their socially responsible behavior may want to consider having more female board members. The effects of social responsibility on employees, public image, and surrounding communities are far-reaching, and many companies look for any available advantage in these areas. By bringing women on their boards, companies can open up a world of opportunities and advantages.

A concern is whether our measure of corporate social responsibility is valid and similar to measures used in other research. Our measure of corporate responsibility towards employees was computed using three lists: "100 Best Companies to Work For," "50 Best Companies for Minorities," and "100 Best Companies for Working Mothers" for the three-year period of our research. For the employee measure of our overall dependent variable, we mirror past research in corporate social responsibility. For our remaining four parts of our overall variable, we used a similar methodology as these three studies. Consequently, we believe our measure was comparable to those used in prior research.

This study has two limitations that must be discussed in order to contextualize this research. First, this study relied only on information presented in annual reports; therefore, some companies may engage in social responsibility and report it through means other than the annual report. Second, many companies and organizations were involved in humanitarian and charitable efforts after terrorist attacks and natural disasters, which may lead to abnormally high social responsibility scores.

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In Search of Values – Reporting from Eight Norwegian Organizations

Einar Aadland

Abstract

The article is an empirical report of how eight Norwegian organizations comprehend and practice their values. Discussing the concept of value and relevant analytical perspectives, the article proposes an approach to the study of values in organizations. Values are studied as espoused core concepts and in-use practices. The concept of intentionality is discussed, informing the value apprehension in organizations. Utilizing six dimensions of organizational life: environment, structure, primary activity, maintenance, change, and management, the relative influence of values to core organizational functions are examined. The eight organizations invest substantial efforts in maintaining employee value motivation. Reflections on influences by Norwegian environmental norms, values significance in primary activity, in structural power relations, to capacities of change, and managerial role, are to a lesser degree executed.

Scandinavian organizations are increasingly engaging in explicating core values. These are given consideration as important tools in managerial activities, guiding organizational interests and behavior. However, this development raises several challenges. Values are general and diffuse concepts, being understood and interpreted in different ways. Individuals may act contrary to their ideals confronted with everyday challenges, and organizations may turn their attention away from core values confronted with acute needs. As one leader put it: "We have been busy with extensive restructuring, and our value attention has been correspondingly low." The complex interplay between words and work, or between intentions and results, is maybe the challenge to everyone taking values seriously, aiming at organizational agency.

In Scandinavia the interest of value approach to organizational development has focused mainly on the impact of moral values on organizational performance. In Denmark this perspective has been a major influence throughout the last 15 years. The idea of "ethical accounting" has been tried out in several organizations, and interest in value based leadership has produced a substantial amount of books and dissertations (Thyssen 1998, Petersen 1998, Dybdahl Jensen 1998, Bak 1996). Norway has experienced a major trend of large companies hoisting the flag of value based leadership throughout the last decade.

Our research has accordingly been devoted to study the impact and relevance of this interest. Research of value practices in daily life of organizations lacks at present agreement on methods and overarching perspectives. Thus, our project represents an exploration of methods and theoretical perspectives.

The challenge

Value based leadership may be defined as an effort to motivate and mobilize organizational agency based on desirable values, and to reveal and limit actions and decisions based on non-conscientious or undesirable values (Aadland2004).

The key question of the project was accordingly: How are values developed and practiced through words and deeds, and to what extent are reflections on values-in-use part of organizational practice within the selected organizations?

The study aimed at revealing formal and informal aspects of the practice of values within the participating organizations. The official and intended value profile was mapped by seeking information in basic documents. The informal and culturally expressed value profile was studied by interviewing leaders and employees, and to a certain extent observing organizational behavior in some areas, i.e. treating customers, the choreography and cultural pattern of meetings, introducing patients, etc.

A rewarding angle of incidence was tracing value implications of organizational stories, as they revealed opinions of good or bad, progress or stagnation, virtues or vices.

Methods

The project was assigned by HSH, The Federation of Norwegian Commercial and Service Enterprises, who wished to present a study of how some of their member institutions interpreted and practiced institutional values. The assignment was given to Diakonhjemmet University College in 2005 and carried out during the following year.

Being cut in the format of a comparative case study, the chosen approach was informed by methods of studying organizational cultures. The organizations were researched by teams consisting of two field workers in the course of one to three days. The approach was strictly qualitative, aiming at enhancement of "thick descriptions" of meaning. By means of appointed and spontaneous half structured interviews of single persons and focus groups, engaging leaders, employees, customers, patients, and other stakeholders, the emerging data material was considerable. In addition a substantial amount of observation reports was analyzed. More than a thousand pages of data material constitute the empirical basis of the analysis.

The choice of organizations to be studied was based on two principles. On the one hand the assigning organization

wished to make a study of best case organizations among their members, i.e. companies that had distinguished themselves in some ways related to value practices. On the other hand the study aimed at variety of organizational types. The studied institutions represented thereby a mixture, containing one cosmetic company, one school, one museum, two hospitals, one addiction clinic, one humanitarian organization, and one nursing home.

The analytical process was initiated by a joint discussion of the data material lasting for seven full days, engaging the six research co-workers. The discussions were explorative, being inspired by a grounded theory approach. The next step was carried out by the project leader, engaging in theoretical bracketing and further clarification of the analytical elements within the material.

Searching for values

Searching for values in organizations raises two obvious questions, firstly, of what to look for, and secondly of where to look for it.

Value, intentionality and action

A discussion of how values may be approached in organizational practice, as well as in research, calls for a clarification of the concept itself. Values are salient expressions of intentionality. Actions, on the other hand, are dependent upon distinctions of value to be apprehended. "In order to see something, we need concepts. Perception without conception is blind" (Weick 2006:1726). The concept of value allows perception of ways of making distinctions of worth. Organizations are intentional, valuing and acting social entities, placing value as a key concept within language to comprehend actual behaviour.

The concept of value has been presented as "the most striking fact about human life" (Korsgaard 1996), and as the core concept of human existence (Pirsig 1991). "Everybody that has experienced sitting on a hot oven knows intuitively what values are", states Pirsig in his philosophical novel "Lila, an inquiry into morals". Accordingly, the ability of valuing is the mark of humanity, indicating a greater importance than for example the ability of applying reason to enhance scientific progress. Thus, the primacy of values implies the primacy of dealing with questions of distribution, suppression, poverty, and environmental challenges. Within the organizational field the value issue raises – and partly answers – core questions of why, when, where and how on both grand and petty scales. These questions coincide with challenges dealt with in theories of ethics, which is why the field of ethics is increasingly engaged in the development of organizational theory. The concept of value is an expression of human intentionality, being enacted in forms of human behaviour.

Values are about valuing and evaluating. The term is applied to a wide range of matters, extending from formulations of pecuniary worth of items until expressions of ideal or moral worth of actions. This may be part of the reason why there is an unintentional multitude of value definitions. Still, values are expressions of worth, or likes and dislikes concerning things, persons, principles, attitudes, beliefs, theories, as well as practices. Values are expressed within language through the use of verbs like "want", "prefer", "hate", "despise". It is generally supposed that peoples' values show certain stability over time. Rocheach's (1973) definition of value is one of the most cited points of departure in value research. He states that a value is "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode

of conduct or end-state of existence." Another definition in the same line of thought is the view that "values are standards or criteria for choosing goals or guiding action and are relatively enduring and stable over time" (Dose 1997:220). A third definition states that a value is "a person's internalized belief about how he or she should or ought to behave" (Meglino & Ravlin 1998:354). Values as (internalized) beliefs or standards are open to the conscious mind as espoused values. This perspective regards value systems as patterns for behaviour.

In addition it is generally supposed that values may be inferred from actions. Individuals repeating a coherent evaluating reaction, exposed to similar situations may be described as expressing stable values. Values demonstrated through behaviour may be partially or wholly pre-conscious to the actor, and as such tacit and hidden to his or her mind. The naming of the value-in-use is to extract after an action is performed as an act of sensemaking (Weick, Sutcliffe & Obstfeld 2005). The process of putting values-in-use into words denotes value systems as stable patterns of behaviour.

Hence, values may be approached in two ways – as espoused values and as values-in-use (Argyris & Schön 1978). Schein (1985) argues that once values are taken for granted through repetitious practice they turn into preconceived basic assumptions. Values-in-use and basic assumptions share the feature of being influential on actions, yet being hidden to the conscious mind. Accordingly, values may be studied along two tracks of investigation. On the one hand values are conscious verbal valuations expressed by groups or individuals. The study of values in this respect implies descriptions and measurements of peoples` self-expressed likes and dislikes, and/or moral convictions (Inglehart 1997, Meglino & Ravlin 1998). On the other hand, values are nonverbal valuations more or less unconsciously expressed through actions. Values of the latter kind are for others to interpret on behalf of the actor (Argyris & Schön 1978, Schein 1985, Weick 1995), or for the actor to interpret post factum. Studying values in this respect calls for a close attention to empirical patterns of behaviour, engaging hermeneutically inspired methods of interpretation to the material in order to bring forth sensible value "headlines" which most precisely catch the "mind of the action". Such methods may be weak in questions of validity and reliability but rich in in-depth understanding and self reflection through processes of sensemaking.

An organization may advertise punctuality as one of its most important values. However, observation of staff meetings reveals a pattern of undisciplined late arrivals and consequently delayed starting points of time. In a Norwegian hospital the value happiness was presented as one of three core values. Employees were not happy with this. As they said, how can we be happy facing cuts and downsizing? Examples like these imply a need for studying the organizational values along both tracks of investigation, since espoused values not only inspire desired behaviour but may be paired with tacit values-in-use resulting in surprising and non-predictive actions.

Another discussion focuses on whether values are preferences that are morally desirable expressions of ethical "oughtness", or if values are merely preferences (Dose 1997:224). The first position is held by researchers investigating issues partly stemming from Weber's view of Protestant work ethics as influential on the development of capitalism. The second position is held by researchers who define values as preferences for socially desirable modes of behaviour (Rocheach 1973, Meglino & Ravlin 1998:354). However, it is hard to establish clear boundaries separating moral values from preferences, since judgement of "right" and "wrong" are entangled with valuing of "pleasant" and "awful",

as for example in utilitarian and contractual theories.

Values are expressions of worth within language. But what kind of "reality" do they express in comparison to other "words"? Intentionality denotes a conceptual class in which the concept of value naturally belongs. Intentionality is defined as "aboutness", denoting the ability of the human mind to be focused (Dennett & Haugeland 1987). Something that is about something else is said to have intentionality. Intentionality is often called "the mark of the mental", expressing the human ability of having ideas, beliefs, desires, thoughts, hopes, fears, perceptions, dreams, hallucinations – and values. These "propositional attitudes" are mental states with intentionality (Jacob 2003:Ch.10). Jacob states a duality of the intentionality of the mental, and distinguishes between mind-to-world and world-to-mind directions of fit (ibid.). He cites Anscombe (1957:56), who exemplifies this with the case of a "shopping list". The list may either be used as instructions for purchasing the right items by a customer or it can be used as an inventory by a detective whose challenge is to draw a record of what the customer actually is buying. In the first case the shopping list should not be corrected in the light of the contents of the shopping bag. But in the latter case the fact of the grocery bag puts the blame on the customer, and the detective should adjust his list according to the facts of the bag. Thus intentionality is wider than mere intention. A shopping list is a list of conscious intentions, but the contents of the bag reveals a more comprehensive mental activity; of impulses, hidden desires, and temptations – which are expressions of the wider intentionality.

This duality of intentionality is parallel to the dual approach to the study of values. Values viewed as mind-to-world intentionality are expressed trough the numerous espoused value statements of organizations ("shopping lists"), and in the research aiming at precise descriptions and measurements of the effects of values and value congruence (Meglino & Ravlin 1998). Values in the shape of world-to-mind intentionality point to the description, interpretation and sensemaking of organizational behaviour. Values-in-use are to be deduced, or punctuated from a "list of features" of practices. Reflection on tacit values-in-use may inspire the organization to adjust its practice and its espoused values in order to be more in congruence with what they actually aspire to. This "reflexive interpretation" (Alvesson & Sköldberg 2000) may inspire creativity as well as making the organization more trustworthy.

A crucial question is how the link between value and action functions. Behaviour may be defined as what happens when energy is consumed to produce motion in living organisms. Action is human behaviour expressing intention or meaning. Accordingly, organizational behaviour is human action, which are studied 1) either as a product of sets of contingencies (which may be altered), or 2) as expressions of internal motives, intentions and values. Since human behaviour at times seems to lack obvious conscious reason, the need for employing sensemaking efforts arises, in order to establish some order of meaning behind the pattern of action at hand. Thus, the latter endeavour infers meaning and intentionality as central to action, while the former approach underlines the interplay among contingent forces. In both cases, however, there is a general acceptance of the fact that value and action is mutually interrelated, but exact description of the interrelationship has yet to be presented.

The concept of value is more or less randomly touched upon within the applications of social constructionism or postmodern language theories to understand organizational behaviour. However, the way making of differences (Derrida 1978) constitutes our conceived world implies valuing as a key activity within "languaging". How meaning and value are established in organizations rely less on strategic planning and rational choice, than on what Weick calls "committed interpretation" (Weick 2001:14). Sense is built through social interaction, where more or less random action seeks justification, gets publicly accepted, and ends up as "the way" things should be understood and done. Since value is a core expression of what is considered sensible and worthy, there should be good reason to investigate organizational values following this perspective.

To summarize, values are constructs of worth, being espoused in language as goals, ideals and preferences, or extracted from actions trough processes of interpretive sensemaking. Values are expressions of intentionality and show a close, but not closed interrelationship with action.

Where to look

Organizational theory has developed a multitude of refined definitions and perspectives on core dimensions over the years. A major shift from internally focused theories to theories focused on the interplay between environment and organization was introduced by the open-system approach from the sixties (Katz & Kahn 1978, Scott 2003). Values are doubtlessly informed by social constructs from the surrounding environment in any organization. Emerging with equal importance to the study of values are social and power structures. Scott differentiates between normative, cultural-cognitive and behavioral structures, all of which in separate ways embrace the concept of values (2003). The normative structure is based on espoused values, while the two other categories may be described as saturated with values-in-use (Argyris & Schön 1978). Katz & Kahn (1978) describe five subsystems of organizational activity in their open systems approach. The subsystems of production, support, maintenance, adaption and management may serve as relevant categories for the analysis of values. The supportive subsystem focuses relations with the environment, and is thus included in our analysis of environmental influences on the organizations. In conjunction with this, our analytical categories for the study of values in the eight organizations are:

1. Environment
2. Structures
3. Primary activity
4. Maintenance
5. Change
6. Management

1. Environment is in short everything that surrounds an organization. Following the development introduced by open systems model, the environment is crucial to any research on organizations. Environmental units may be layered and specified in different categories in order to grasp the influence on organizations (Scott, 2003: 125ff). In our research, we have a special interest in how Norwegian social norms of behavior influence value profiles of the eight organizations, including what is called the Scandianavian leadership model.

2. Structures. Values are of vital importance to the understanding of organizational structures of all kinds. Norms, roles and attitudes are situated within value structures. Scott claims that within normative social structure, "values are the criteria employed in selecting goals of behavior; norms are the generalized rules governing behavior that specify, in particular, appropriate means for pursuing goals" (Scott, 2003:18). Within structures, values serve a dual function: to maintain and to renew. However

Figure 1. Core Values

	Religious	Moral	Community	Social	Personal	Change
Private school	Human dignity based on Christian understanding		Just distribution of resources, Multicultural openness	Solidarity Poverty reduction		
Museum			Inclusive		Pure	Inventive
Cosmetics firm		Against animal testing	Ecologically sound products	Support fair trade, Defend human rights	Support self-respect	
Addiction clinic	Love		Strong relations Proximity	Heterogeneity	Reliable Competent	
Humanitarian organization			Inclusive	Just	Glowing	Daring
Medical hospital			Service		Friendliness Respect	
Nursing home	Dignity Compassion Hope Faith		Community	Justice, Solidarity		
Psychiatric hospital for elderly			Cooperation		Holistic perspective Respect Engagement	

important, structural values are rarely focused and discussed, often serving as tacit groundings of power.

3. Primary activity is the cause of organizational existence. An organization is created with a task, an overarching goal that results in production activities. From the volunteer group's task of painting a wall, to the complex task of making cars, study environmental changes or treating patients – all needs processes of organizing. "Organizations are commonly classified according to their main productive process" (Katz & Kahn 1978:52). A production plant produces, a store sells, a school educates, and a nursing home cares for elderly. An organization does not survive lack of demands for its products. If values are important to the organization, they should therefore be traced in the production process.

4. Maintenance is about trimming and adjusting the organization's capacities. A car is maintained by changing oil, coolant and spark plugs at certain intervals. The organization maintains its competence by recruiting skilled workers, educating them, giving responsibilities according to capacity and know-how. Buildings are maintained, and technologies are updated. Maintenance is much about developing a constructive and compelling culture. As patterns of value are key components in defining culture, the challenge of communicating values is a key perspective of value oriented organizations.

5. Capacity for change has grown in importance as society grow complex and processes accelerate. Political and ideological conditions change inevitably, official laws and regulations flourish, new generations think and act differently, and organizations must enact adjustments and changes simply to stay alive. Proactive agency demands originality, strategic skills and open-mindedness. Pure adjustment demands re-active competence, while real capacity for change is developed through watchful

analytical reflection and experiments. Organizations today face a harsher competitive society where the principle "win or disappear" is employed at an accelerating pace. The value dimension is in this respect interesting – does increased focus on values enhance or deter capacity of change?

6. Management coordinates and adjusts the total organizational system.

The analysis of the empirical material was directed towards ways organizational values were expressed in regard to the six dimensions of organizational life. If values were to be taken seriously in managing organizational activities, it would be crucial to have values surface within all of these analytical categories. But, in addition a discussion of the relative importance of the different analytical areas might be vital. It is presumably possible that core values being focused in one area would be counterproductive to another. For example, building a "strong culture" and firm organizational values in routines and traditions may endanger the capacity of change.

As an introduction to the eight organizations, we were met with a presentation of their established core values (Figure 1).

Environment

Norwegian society supports traditionally the value of humility. There is a strong social norm of holding a low profile with regards to own qualities. Expressions of self-centered satisfaction of own qualities are generally considered unacceptable. This complies with the sociological thesis that the Norwegian society is one of the more homogenous and egalitarian societies of the world. Being one of the protestant countries, Weber's classical description of religious devotion and hard labor, as well as Luther's "ora et labora" denotes influential ideals informing Norwegian sentiments. How does this social norm of the environment comply

Figure 2. Overview

Psychiatric hospital   Nursing home   School

             Cosmetic firm   Humanitarian org.   Addiction clinic

                        Medical hospital

            Museum

Expressed values   Tacit virtue culture
Strategic planning   Attention-drawing
Value-to-work processes   Role modeling

with the idea of clarifying and expressing own values – a practice that may be regarded basically as an US import?

On the one hand, organizational leaders of our study were influenced by their social upbringing to be modest and humble – in private, but also on behalf of the organization. On the other hand, they were equally challenged by the competitive development within the organizational realm, demanding clear value profiles and compelling ethical engagements. There were interesting results of varying practices stemming from this more or less coveted dilemma. The organizations expressed this in different ways.

In most of the eight organizations values were considered as integrated and invisible. Values were positioned "within the walls", "in the athmosphere", or "in the spine" of the employees. All agreed upon an integrated value practice as the ideal goal of value work. But the means to this goal were differently envisioned. At one end of the scale, the view that values should be actively addressed was considered the central feature of organizational strategy. Accordingly, a conscious and substantial effort was done to implement value development processes, integrating value reflections as routine activity, and enhancing considerable processes of evaluating the factual value-in-practice output. This view is in alignment with central features of the philosophy of value based management. The most consequent proponent of this strategy was the psychiatric hospital for elderly, which had a six years practice of enacting ethical accounting.

The opposite end of the scale represents the view that values should preferably be kept tacit. Values are, as it was expressed by one leader, "prone to turn into external cosmetics if uttered too often". In this respect expressed values might represent a threat to real value practice. This view may be named "the tacit virtue culture", their representatives being more eager to integrate virtues and attitudes into practice, without utilizing strategic and value-into-words processes. The naming of organizational values is less important, as long as the basics of being a virtuous person are reckoned and transmitted through attention-drawing to exemplary behavior. The school was the most typical representative of this practice, exemplifying traditional social norms of Norwegian society in its organizational practice.

The rest of the organizations were found along a scale between the two end-points, representing different balances of covert and expressed value practice (Figure 2).

All of the organizations stressed the importance of organizational values as core standards of practice. "Values within the walls" may serve as a mutual goal, visualizing the aim of values being integrated, personal and natural expressions in practice by the organizational members.

But the different organizations showed great variety considering how values should be implemented and integrated. The school presented a conscious reflection of attention-drawing to virtuous behavior and efforts of role modeling. They were critical of "too much value speak". As opposed to this, the psychiatric hospital invested great efforts in planned discussions and reflections on values and ethics in hospital practices.

The danger of clear cut formulations of values and planned programs of implementation may be rigidity. The individual worker may miss the personal challenge and the freedom of making own reflections and choices may be threatened if the program is too strict. On the other hand, working out values through sensemaking processes may increase the ethical sensitivity and awareness of change potential (Weick, Sutcliffe & Obstfeld 2005).

The danger of the tacit virtue cultural practice may be mystification. Interpretations of values at hand are left solely to the individual, and the benefits of collective reflections on values and worth are bypassed. Cultural basic assumptions are easily taken for granted (Schein 1985), and the tacit approach does not question these. However, the tacit virtue cultural approach escapes the threat of contradiction between words and work.

Another environmental influence is the Scandinavian leadership model, having gained attention through the last decades. The Scandinavian leadership model is marked by respect for the individual, and holistic, humanistic and value based approaches with a multiple stakeholder focus. It functions within flat and non-bureaucratic organizations with a high degree of devolved responsibility and accountability, and trust, care and concern as common values. In short, Scandinavian management has a flat and humanistic orientation, and coincides with the general value oriented interest of the region.

Structures

Values are generally considered as motives, preferences and intentions held by individuals. When core organizational values like "respect", competence", "creativity" are defined as collective ends, still most associations are directed to personal behavior. When a sufficient number of organizational members have integrated institutional values in their personal value hierarchy and act accordingly the fulfillment of value management is complete. This rather commonly expressed way of conceptualizing value based management is an offspring of the idea of organization as the sum of people working there. Values are mental entities, and as such tied to the realm of the person. Values are products of person(s) valuing.

This leads to the most commonly shared method of value studies: Interviewing organizational members on personal priorities and preferences.

But the context may regard the value situation differently. Values may be loaded into structures. Structures may have been developed by chance or by necessities. The expression "the humane slave owner" expresses positive value on the personal level, while the slavery system, which the person is part of, is condemnable on a structural level. Individuals may be pleasant, empathic and kind while organized activities, like slavery, may be repulsive. The slaves would experience the person as "less worse than others", but their main experience will be of the system as evil.

Structural values are created and maintained through systems of power. The power dimension is often obscured to the powerful, and consecutively the structural values are rarely discussed. The value implications of the organizational structure being hierarchical or flat, bureaucratic or democratic are important to the stakeholders, but often left out of consideration in internal value efforts. In everyday organizational behavior the structural values are far more difficult to catch than personal and humanitarian values. But to the patient it may be of great importance being left unattended for hours, being served cold and tasteless food, staying in a room with prison cell features. No single person is to blame, but the system, with its routines and priorities might be inhuman.

Talking about organizational values should thereby incorporate structural dimensions. The eight organizations of this study all have primary focus on increasing the welfare of clients, patients, and customers. Thus, the overarching visions of the school, the addiction clinic, the hospitals, the nursery home, and the museum are respectable and compelling. And the humanitarian organization is grounded on the idea of revealing violations of human rights and helping target groups. The cosmetic company is grounded on the idea of making profit through ethical business. Thus, being to a large degree focused on ideal ends, the organizations should be extremely cautious to enhance self-reflective structural criticism. This establishes one analytical dimension of the study. To which degree are the organizations exposing themselves to criticism from the outside, and how strong is the will to make changes accordingly?

At the nursing home a patient committee was established, overlooking patient's interests. The committee leader pointed at some structural changes at the nursing home, which he was highly critical of. "Some time ago the rooms were rebuilt, and afterwards functionally healthy patients were placed in rooms together with patients with dementia. This structural change did more to the quality of the patient's life than anything else." Another case was about rebuilding the doors with thresholds because of fire safety. To the patients this represented great difficulties in overcoming the new obstacles. The committee leader was rather outspoken, and was still tolerated by the management. But his comments did rarely lead to changes. As he put it: "Our voices are silenced on their way upwards through the system".

Still, the establishing of the committee and its critical activity represents a fresh example of how to deal with structural values.

Primary activity

Core activities are found in answers on questions like "why are we here?", "what is our basic mission?", "what is the single action that most precisely expresses our identity?" The answers clarify that management is a support function, like information, recruiting, budgeting, education, negotiations, etc. In the hospitals of our study the core activity was treatment, and the museum named it "preservation" and "communication". To the cosmetic firm the obvious activity was sale, and the humanitarian organization called it "revealing injustice" and "giving help and support".

However, it was not obvious that the values of each organization were reflected through the core activities. More commonly values are applied to personal behavior and cultural patterns. Still, all the eight organizations had in some way value references in their primary activities, even though to a lesser degree explicitly demonstrated. The cosmetic firm labeled their products with texts explaining the ethical "standing" of each product and practiced training of shop staff to give customers thorough information of basic values. Interviews with customers confirmed that values of the firm were communicated. Several customers based their choice of cosmetic products on the ethical profile of the firm. In addition, the firm claimed to have stopped selling sun tan products due to European regulations of required animal testing. This represented loss in income, but the implicit ethical manifestation was hoped to give long term market share.

The two hospitals and the addiction clinic showed a keen attention in proliferating their values in therapeutic and care situations. As several employees told us at the addiction clinic: "We work hard to convey to our clients that they are valuable as humans contrary to the message they have received from great society." The museum practiced their value "purity" as a headline for craftsmen's restoration work, having dismissed workers using plastics in rebuilding old Norwegian wooden houses. Their value "inventive" inspired a series of experimental exhibitions and contemporary documentations.

The selection of the eight organizations was done as a "best case" selection. The selection principle was confirmed by the way the core values were integrated in the primary activities of the organizations, being more aware and attentive of the importance of value integration in primary activities than the average organization.

Maintenance

The most common application of value based management is through HRM activity. Institutional values are instigated through the development of devoted employee culture, utilizing attention-drawing to virtuous attitudes and exemplary behavior. Thus, within the literature value based management regularly is presented as a HRM activity.

Employees are advocates and proponents of any organization. Hence, the HRM approach to values is central to the success of value proliferation efforts within organizations. The question remains, however, if HRM should be considered as the area of interest. We wish to maintain that a singular focusing on values within employee attitudes and engagement may result in a limitation of the possible impact of values in organizational work. This is not to undermine the importance of focusing employee awareness of values. The dimension of maintenance of employee awareness of values is a necessary and decisive prerequisite of organizational value development. Through HRM, in recruiting, education and everyday maintenance of ethical sensitivity the organization unfolds its activity in concordance with its basic values. Organizational stories may be a source of mapping symbols, virtues and values.

Figure 1 gives cues of how several values of the eight organizations may be classified as personal qualities. In addition, what

are classified as religious, community and social values were to a great extent upheld as personal qualities by organizational members. A common procedure of deciding core values was through democratic bottom-up negotiations. However, users of the services were systematically kept out of such procedures, leaving the vote to the internal members of the organizations.

The humanitarian organization had established a special HR-policy, focusing core values in personal practice. "Our value based efforts are synonymous with the way we perform our work, that we encounter people with respect and recognition". This statement from one manager at the medical hospital covers a general attitude held by most of the organizations. A rather common practice was arranging personal seminaries once a year, focusing value work. "When we return from these seminaries we all feel a bit exalted on behalf of both our values and our organizational community, we always try to make some "hallelujah" spirit. And if we do not, people turn a bit low."

Recruiting processes were regarded as important in maintaining value standards. At the addiction clinic a clear view on the importance of having the "right" attitude to human value was expressed. The medical hospital stated that personal selection was thorough and represented a substantial area of value efforts. This was followed up with rigorous programs of training newcomers: "No newcomer is allowed to practice alone for the first six weeks."

In several of the organizations we were presented with repeated presentations of the same organizational stories from widely different people. The stories served as common examples of cherished behavior, focusing how value practice should be executed.

Maintenance of employee value practice is a central and necessary feature of organizational value work to any organization. The eight organizations displayed an impressive effort and creativity in challenging and maintaining the value focus by their employees. Our impression was that this dimension was the most developed single area of value application efforts, being in conjunction with the view of HRM-work as the basic field of value attention.

Capacity of Change

Following the turn of the century a series of governmental reforms has been introduced to Norwegian society. The Health services reform, the Addiction policy reform, the Museum reform, and the Quality reform of higher education, to name a few – all have designed new conditions for official welfare activities. Through the nineties a focus on quality was maintained, utilizing concepts of quality development, TQM, and application of ISO standards. However, the recent development has to some extent substituted the concept of quality with the concept of value. "Quality" is an open and general concept offering scales of measurement of better or worse on what is done. "Value" enhances differences and character, demanding self reflections on worthwhile activities and end-states of existence (Rokeach 1973). The concept of value corresponds accordingly more accurately to a societal demand for differentiation and character. Quality stimulates the expression of "we are good", while values stimulate expression of "we are good at.."

Value instigating efforts within the eight organizations revealed a tendency to focus on employee culture and qualities of interrelations among staff, and between staff and patients, customers and clients. This is mainly inspired by the HRM maintenance dimension. To a lesser degree the value focus was directed to primary activities, structural perspectives of power distribution, and environmental impetus. This is actually an odd phenomenon, considering the influence of the shared environmental expectancy of differentiation and the urge to specialize in a competitive society.

Great value awareness in a "strong" culture may obstruct capacity of change

In their study of a number of successful US companies, Peters & Waterman (1982) denoted eight indicators of success – which made their book successively a success. The single most important factor was the establishing of shared values. The companies were characterized by clearly defined values and a conscious effort of core values throughout the culture, searching for maximum coherence between say and do. Several years later a research concluded that the same former successful companies had severe problems. The finding indicated that you need a strong back to survive success. It is difficult to make necessary changes when you are labeled one of the "best". To be selected best in business is like getting the kiss of death.

The eight organizations of our study were selected as "best cases" of value oriented organizations. Our natural interest was accordingly to investigate if this status influenced their capacity of change. Our findings might give material to discuss the possible dangers of value based management – if value reflection and value identity would represent a contraindicative threat to the capacity of change.

The overarching result of our investigation was that efforts of value based management represented forceful incentives of raising awareness and motivation – also in matters of change and innovation. However, there were clear indications of motivation wear and tear in the psychiatric hospital, having applied the value approach for several years. The organization had won two prices for great employee culture in the early nineties. Still, a certain fatigue was expressed by several staff members. The cause of this may be found in a rather stereotype value implementing procedure having developed over years. The procedure was repeated every year in a way that several employees characterized as more and more detached from their acute and contemporary challenges. In addition, the CEO had assigned the value work to one of his trusted senior leaders, a decision interpreted by staff members as a mark of values as less significant.

Value reflective activities are, due to the HRM influence, often placed in a realm different to organizational development. This was a view expressed by the CEO of the addiction clinic. He stated that the organization had been busy with great and necessary changes, and consequently had found little time to explore value significance.

The medical hospital expressed pride in their strong and value oriented culture. But several expressions of doubt seeped through. "We are focusing our own perfection in a way that prevents us from seeking renewal from the outside". This uneasiness was shared by leaders and employees. The hospital was floating fine on former economical and professional success, and admitted that the image of being on the top was hard to let go of, and that changes were consequently hard to encounter and envision.

The study affirmed that value reflection work may lead to strong and motivated organizations, however being challenged over time by the imprisoning dangers of success. The organizations that were aware of the threats of stagnation, or who were in an early face of value processes, did not suffer from this inevitable development. A counteractive move was displayed by the museum, having chosen the value "inventive", and by the humanitarian organization cherishing the value "daring". Featuring

values with a certain valor and inclination towards change may secure the necessary antidote to stagnation and self-sufficiency.

The role of management

Researching value profiles of the selected organizations would inevitably include searching for how management conceived of values, and how values were instigated. In opposition to managing by rules and objectives, value based management shares features with transformational leadership (Bass 1998), focusing on motivation, engagement and delegation of responsibilities.

Organizations are established with intentions of solving a problem, filling a gap, or making a difference. There are several recipes on how leaders may operate value interests. In general, the important factors include the enhancement of collective reflections on values, questioning routine behavior, interpretations of value messages contained in practices, and a keen awareness of alternative ways of coping.

At the psychiatric hospital top management introduced and effectuated a comprehensive program of value orientation, maintaining the efforts for a period of more than six years. A special challenge was how the CEO should include other leaders and staff in responsibilities of value work. Both the CEOs of the psychiatric hospital and the addiction clinic had at a time delegated responsibility of value programs to staff members. This was followed by a marked reduction in intensity and interest throughout the organizations, showing clear differences of engagement relative to the varying enthusiasm of division leaders. The CEO of the cosmetic firm claimed that she once made a planned pause in maintaining value attention to her staff, and was confronted with clear expectations from employees: "Aren't you going to talk about our values?" She was rather active at focusing values, expressing that "I brainwash my sales persons with our values".

Conclusion

The qualitative case study approach to eight Norwegian organizations was rewarding, pursuing both espoused core value practice and tacit values-in-use influences. The findings may be summarized in the following manner:

1.Environmental influences from great society were found in different practices of engaging in planned value implementing efforts. Some organizations made substantial efforts of introducing and maintaining value reflections, while others cherished ideals in the direction of humility and speechless virtue behavior.

2.Structural values were identified at some of the institutions, being present in routines and power structures. These were, however, rarely discussed and reflected upon, leaving this as a challenging area of further research.

3.Values in primary activity were cared for by some of the organizations, showing great concern for transmitting the value perspective all through the firms' basic activities. Others were less aware of this, placing their efforts within maintaining staff motivation.

4.The focus on maintenance and development of personal qualities, is the most integrated and applied perspective on value based management within the eight organizations of this study. However valuable, this is a rather limiting perspective. Value based management of the future is challenged to be more radical and thorough in its applications – at least if the competitive demand of differentiation accelerate. This will demand stronger focus on value reflection applied to environmental influences, structural orders of power, primary activities of the organization, as well as attention to the capacities of change.

5.Value work influences organizations' capacity of change. In several of the eight organizations the notion of having a "strong" and successful culture was counteractive to innovation and change. In others, value formulations of change as valuable in itself secured necessary commitment to creativity and innovation.

6.Management was found crucial to value integration and reflection. Where top management assigned value work to others, a decline in interest and motivation was apparent.

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