Espoused Organizational Values, Vision, and Corporate Social Responsibility: Does it Matter to Organizational Members?

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Organizational values are beliefs held by organizational members regarding the means and ends that organizations ‘ought to’ identify in the running of the enterprise. The most basic level of commonality that provides a common identity and shared sense of purpose is reflected in the company’s vision. Research suggests that when employees share organizational values, they feel more loyal, committed, identify more strongly with the organization, and are more likely to stay.

Espoused values that are expressed on behalf of the organization or attributed to an organization by its senior managers in public statements may be distinct from practised values. While the relationship between espoused values and organizational practices continues being researched, espoused values are also used to enhance organizations’ images. Espousing socially relevant values and corporate social responsibility (CSR) is gaining enormous importance today.

The main objective of this study was to investigate organizational values (both espoused and practised), vision, and CSR. It also aimed to assess employees’ awareness and understanding of core values, vision, and CSR. Further, it also aimed to investigate differences among employees’ awareness of core values, vision, and CSR according to gender, age, department, hierarchy, and tenure.

The sample comprised 90 executives in one of India’s largest automobile company, Maruti Suzuki India Limited. Maruti is a market leader, enjoying a market share of 55 per cent in the car segment. The measures included: (1) Understanding organizational values questionnaire (self-constructed); (2) Semi-structured interviews with 20 executives; and (3) Document analysis of five years’ Annual Reports and Chairman’s speeches at Annual General Meetings.

Results showed that:

- The espoused values were: customer obsession, fast/flexible/first mover, innovation and creativity, networking and partnership and openness and learning.
- Employees’ awareness of espoused values, vision, and CSR was moderate, very low, and fairly high, respectively.
- Only age and tenure influenced awareness of CSR and one core value, respectively. Older employees had better awareness of CSR than younger employees. More experienced employees were more aware of ‘customer obsession’ as compared to the less experienced ones.
- Awareness and understanding of vision among employees was very inadequate, with 50 per cent of employees unable to state or explain it. In contrast, the awareness of CSR was very high (95%).
- A small gap existed between espoused and practised values; e.g., the most important core value of customer obsession was not mentioned by even one employee as important for success in the organization.

These findings have implications for making efforts towards value internalization by holding workshops, training programmes and implementing values in performance appraisal systems. It is suggested that CSR be reconceptualized as a corporate social necessity, and may even replace organizational vision as a powerful tool for managing employee-relevant outcomes. It is also recommended that organizations’ strategy on CSR must be in line with their core competency to provide them with a competitive edge.
Values are something we hold dear, something that reflects an ideal or an ethic. According to Rokeach (1973), it is difficult to conceive of any problem social scientists might be interested in that would not deeply implicate human values. Allport (1961) conceptualized values as beliefs upon which a person acts by preference. Hofstede (1980) defines value as a broad tendency to prefer certain states of affairs over others.

Values are micro-macro concepts. At the micro level of the individual, values define meaning and purpose of life. They represent the wants, preferences, desires, likes and dislikes for particular things, conditions or situations. They consist of opinions about what is right, fair, just or desirable. They are crucial to human functioning, as they are at the core of our beliefs and affect our attitudes and behaviour. Similarly, at the level of society, values are a foundation to what we call culture. Kluckhohn (1951) argued that without values there can be neither personal security nor stability of social organizations, as values represent shared understanding that gives meaning, order, and integration of social living. Just as social values shape behaviour through customs, mores, socialization in the family, the law, and education; in the same way, in organizations, institutionalized values shape mission, goals, vision, policies, style of management, practices, and so forth.

To consider values in the workplace is to probe the very reasons why people work or behave in the ways they do in their jobs (Posner and Munson, 1979; Sikula, 1971). Institutions have values that determine, in large part, the decisions and behaviour of people inside those institutions (e.g., French, 1984; March and Olsen, 1989; Pruzan, 2001). Organizational values are the beliefs held by an individual or group regarding the means and ends that organizations ‘ought to’ identify in the running of the enterprise, establishing objectives or in choosing which business actions are preferable to alternatives (Enz, 1988). When a number of key or pivotal values concerning organization-related behaviours and state-of-affairs are shared across units and levels by the members of an organization, an organizational “value system” is said to exist (Weiner, 1988). Hence, demonstrating sharedness or agreement between at least two different value sources should be a pre-requisite for calling them organizational values (Rousseau, 1990).

The principal means by which the organizations can turn on its members is by articulating and disseminating some core values, sense of mission, and/or a vision of excellence (Khandwalla, 1992). Collins and Porras (1996) argue that building an ‘excellent,’ ‘visionary’ company requires 1 per cent vision and 99 per cent alignment of the members’ values.

The importance of ‘shared values’ has been articulated by many like Peters and Waterman (1982), who stated, “Every excellent company we studied is clear on what it stands for, and takes the process of value shaping seriously.” They go on to observe, “Clarifying the value system and breathing life in it are the greatest contributions, a leader can make.” According to Deal and Kennedy (1982), shared values create a sense of identity for those in the organization, making employees feel special. “As the essence of the company’s philosophy for achieving success, values provide a sense of common direction for all employees and guidelines for their day-to-day behavior” (Deal and Kennedy, 1982).

In today’s times of downsizing, ‘right-sizing,’ mergers, and reengineering, employees are confused as to their purpose at work, distrustful of almost everyone, and motivated to pursue self-interests, as do their bosses (Deal and Kennedy, 2000). In what appears to be the world’s largest bankruptcy in history, Lehman Brothers, the leading US-based investment bank, filed for bankruptcy (September 15, 2008), leaving employees in a rude shock, with accompanying feelings of isolation, detachment, disillusionment, and panic. Layoffs have been reported in companies like Merrill-Lynch, Citigroup, Detroit, Daimler, Ebay, Hewlett-Packard, and many others owing to recession. In these times of continuously changing world, the significance and relevance of ‘shared values’ has increased manifold. Global organizations face the challenge of ensuring that employees make consistent decisions and actions around the world even though they may have diverse cultural values. Value homogeneity among members enables managers to make safe assumptions about the likely behaviours of their subordinates when first-order control mechanisms (such as rules) or second-order mechanisms (such as direct supervision) are not present (Adkins, Ravlin and Meglino, 1996; McDonald and Gandz, 1992).

Research suggests that homogeneity among the value structures of organizational actors is a source of job sat-
satisfaction, commitment, job proficiency, performance, and long tenure for employees (Siehl and Martin, 1990; O’Reilly, Chatman and Caldwell, 1991). Research evidence also suggests that when employees share organizational values, they feel more loyal and committed and identify more strongly with the organization (McNaughton, 2003). On the other hand, the individuals in an acquired organization, who feel that their values are widely different from those of their new “partners,” are more likely to leave the organization, taking valuable knowledge with them. These individuals may be top executives of the acquired firm (Cannella and Hambrick, 1993; Buchholtz, Ribbens and Houle, 2003), or they may simply be valued employees.

The most basic level of commonality within an organization that provides a common identity and shared sense of purpose is reflected in the company’s vision and mission. At its simplest level, vision is an answer to the question of what we want to create (Senge, 1990). Most successful companies have a jointly created vision to which people are truly committed as it reflects their own personal vision. By co-creating for a purpose beyond oneself, organizations move forward into a new paradigm. These new organizations become a team with a shared vision for the future, clarity of mission, purpose, and a common set of values that are pervasive throughout the organization.

The success in instilling values is derived not only by professing, but “from obvious, sincere, sustained personal commitment to the value the leaders (have) sought to implant, coupled with extraordinary persistence in reinforcing those values” (Peters and Waterman, 1982). It therefore becomes imperative to differentiate between espoused and practised organizational values. Espoused values are values that are expressed on behalf of the organization or attributed to an organization by its senior managers in public statements such as in the firms’ annual reports. Therefore espoused values are in a way different from what have been termed organizational values (Rousseau, 1990), shared organizational values, or “core organizational values” (Van Reckom, Van Riel and Weiringa, 2006), that is, values that are shared by all or a large proportion of an organization’s members. Espoused values are distinct, too, from values that are treated as a proxy for organizational practices (Trice and Beyer, 1993). Practised values refer to the implementation of the values that are professed by the organization. They are the practical results of the values that are espoused by the members of an organization.

Empirical research on the link between espoused values and their practices is scattered, yet it is clear that such a link exists (Trice and Beyer, 1993). While the relationship between espoused values and organizational practices continues being researched (e.g., Schuh and Miller, 2006), espoused values in itself have been found to play another key role for organizations: they are used to enhance organizations’ reputations or images (Sutton and Callahan, 1987). It can reasonably be assumed that organizations enhance their external legitimacy by espousing values that are congruent with their cultural milieu (Siehl and Martin, 1990). Espousing socially relevant values is gaining enormous importance today. Organizations are increasingly under pressure to engage in ethical practices and corporate social responsibility.

Corporate Social Responsibility (CSR) in its most basic form can be understood as what business puts back — and can show it puts back — in return for the benefits it receives from the society. The fundamental idea of CSR is that business corporations have an obligation to contribute to the welfare of the society (Davis and William, 1984), and to work for social betterment (Frederick, 1986). CSR is a policy in which the firm goes beyond compliance and engages in “actions that appear to further some social good, beyond the interests of the firm and that which is required by the law” (McWilliams and Siegel, 2001), or at least knowingly does not do anything to harm its stakeholders (Campbell, 2006).

The views about CSR fall under two broad heads: those who argue that business is obligated only to make profits within the boundaries of minimal legal and ethical compliance (e.g., Levitt, 1958; Friedman, 1970) and those who have suggested a broader range of obligations towards the society (e.g., Carroll, 1991; Epstein, 1987; Buono and Nichols, 1990; Kotler and Lee, 2005). Critics (e.g., Banerjee, 2008) caution that discourses of CSR are defined by narrow business interests and serve to curtail interests of external stakeholders, and instead legitimize and consolidate the power of large corporations.

Three themes related to CSR that have captured the most attention are agency theory (Friedman, 1970; Wright and Ferris, 1997), corporate social performance (Preston, 1978; Carroll, 1979; Waddock and Graves, 1997), and
stakeholder theory (Freeman, 1984; Donaldson and Preston, 1995; Jones and Wicks, 1999). Friedman (1970) asserts that engaging in CSR is symptomatic of an agency problem or a conflict between the interests of managers and shareholders. According to this view, resources devoted to CSR would be more wisely spent on increasing firm efficiency. In contrast, Carroll’s (1979) CSP model includes the three-dimensional integration of responsibility, responsiveness, and social issues. According to Carroll (1991), the CSR firm should strive to “make a profit, obey the law, be ethical, and be a good corporate citizen.” The CSP framework has much in common with the stakeholder perspective, the most dominant paradigm in CSR. According to Freeman (1984), firms have relationships with many constituent groups and these stakeholders both affect and are affected by the actions of the firm. By behaving in a responsible way, firms obtain continued support from their stakeholders necessary to have access to valuable resources that secure the long-term survival and success of the firm.

Many companies that have integrated social and environmental aspects into their business plans have found that they can improve relations with legal and political entities, effectively address the concerns of external stakeholders such as investors, financial community, local communities, and the general public, attract new recruits, discover areas of strategic advantage, and improve their management systems. Improved performance in these areas may generate intangible assets, such as employee commitment and customer brand loyalty that may lead to improved financial performance. Researches addressing the relationship between CSR and financial performance have found mixed results, ranging from no relationship (McWilliams and Siegel, 2000), a positive relationship (Waddock and Graves, 1997), to a negative relationship (Wright and Ferris, 1997). There is an “ideal” level of CSR, which managers can determine via cost-benefit analysis (McWilliams and Siegel, 2001). It has even been contended that companies are more likely to achieve profitable sales overseas if their level of CSR is either above average—or below it (Cyril, Crane and Deutsch, 2009).

No matter which end of the spectrum of CSR — compliance with laws or pure philanthropy – we identify with, it is clear that CSR is here to stay and reflects value orientation of the organization and its management. Various companies in India with CSR initiatives include EXCEL, Tata and Reliance Groups, Subros and its ‘Green Delhi Campaign,’ Infosys Foundation, P&G with its “Project Drishiti” for the visually-impaired, Dr Reddy’s Lab’s LABS (Livelihod Advancement Business School) for training underprivileged youngsters, India Today’s Care Today Foundation for rehabilitation of Kargil soldiers, ITC with its e-choupal programme aimed at empowering farmers.

In keeping with the importance given to values in the present day organizations, the purpose of the present study was to assess the organizational values (both espoused and practised), vision, and CSR.

OBJECTIVES

• To understand core values and vision of the organization as espoused in its public documents
• To assess employees’ awareness and understanding of core values, vision, and CSR
• To assess differences among employees’ awareness and understanding of core values, vision, and CSR according to: (i) gender, (ii) age, (iii) department, (iv) hierarchical level, and (v) tenure
• To understand organizational values as actually practised in the organization
• To determine the gap (if any) between the espoused and practised organizational values.

METHOD

Organizational Setting

The present study was conducted in one of India’s largest automobile company, Maruti Suzuki India Limited. The organization is a joint venture between the Indian Government and Suzuki Motor Company, Japan. Its core business is design and manufacture of automobiles. The company was established on February 24, 1981 through an Act of Parliament, to meet the growing demand of a personal mode of transport caused by the lack of an efficient public transport system. A joint venture was signed between the Government of India and Suzuki Motor Company (now Suzuki Motor Corporation of Japan) in October 1982, resulting in the birth of the present organization. The success of the joint venture led Suzuki to increase its equity from 26 per cent to 40 per cent in 1987 and further to 50 per cent in 1992, followed by its full privatization in June 2003 with the launch of an initial public offering (IPO).
Maruti created history by going into production in a record 13 months. It is the highest volume car manufacturer in Asia, outside Japan and Korea, having produced over 5 million vehicles by May 2005. It is one of the most successful automobile joint ventures, and has made profits every year since its inception till 2000-01. The company rules the market even today by enjoying a market share of 55 per cent (2008-2009), albeit a considerable dip from 84 per cent in 1998.

Sample

The company has a total strength of 3,621 employees out of which 200 are located in the corporate office. The sample of the study consisted of 90 executives, selected using non-probability incidental sampling, that is, the executives who were present on the days the investigator (second) visited the organizations and were willing to cooperate, were administered questionnaires. Further, 20 executives were selected from various departments for an in-depth interview session. Interviews were conducted to provide the necessary backdrop to complement the quantitative information obtained from questionnaires.

Measures Used

A multifaceted methodology, incorporating both quantitative and qualitative techniques was used.

Quantitative Measures

- Personal Data Schedule. This was used to obtain background and personal information about the respondents, including his/her name (optional), age, gender, marital status, total work experience, tenure in the present organization, work experience prior to joining the present organization, department, and designation.
- An open-ended questionnaire titled “Understanding Organizational Values Questionnaire” (Refer Appendix) was prepared to comprehend:
  a) the employee awareness of the core values of the company — Since the company has five core espoused values, a checklist comprising 15 values was prepared and the respondent was asked to identify the core organizational values.
  b) the employee understanding of the company’s vision statement — This was done by asking employees to explain the vision statement in their own words.
  c) the thrust of company’s CSR — This was done by preparing a checklist comprising six choices out of which an employee had to identify the predominant thrust of company’s CSR.

Reliability and Validity

The questionnaire has satisfactory content validity since views of experts from the field of psychology and company’s management were taken. Originally, 22 values were chosen for inclusion in the questionnaire. Based on the views of experts, some of the values were deleted. The modified questionnaire was given to some employees of the company in a pilot study to ensure that the readability level of the questions matched those of the respondents. After incorporating the suggestions from the management and the employees, a final version of the questionnaire was created with the chosen 15 values.

Scoring

Question 1 (espoused values) has 5 correct answers (5 core values out of 15 choices). The respondent gets a score of 1 for identifying each value correctly. Thus, for question 1, he could score either 0 (none of the 5 core values mentioned) or 5 (all the 5 values marked correctly). Question 2 (organizational vision) has 4 correct answers: leader, customer delight, shareholder’s wealth, and pride of India. The respondent gets a score of 1 for mentioning each value correctly. Thus, he could either score 0 (none of the 4 correct answers mentioned) or 4 (all the 4 correct answers mentioned). Question 3 (corporate social responsibility) has 1 correct answer. Thus the respondent could either score 0 (correct answer not marked) or 1 (the correct answer marked). Hence overall, a respondent could score between 0 to10. There is no negative scoring. Higher scores indicate a better understanding of company’s values (espoused values, vision, and CSR).

Qualitative Measures

The qualitative phase of the research consisted of interviewing and document analysis.

Interview: The semi-structured interview schedule consisted of the following questions:

- What values are important in the company?
- What sort of person will be successful in the company and why?
• What would you look for in a candidate apart from work skills and experience?
  a) Can you state the vision statement of the company?
  b) What does it mean to the company and you?
• What do you know about the CSR of the company?

Question 1 is concerned with understanding organizational espoused values. Questions 2 and 3 tap the values considered important for success in the company. These assess values about how things really are, i.e., an understanding of practised values. Question 4 is concerned with understanding employee’s awareness and understanding of the company’s vision. Question 5 is concerned with the employee’s awareness and understanding of the company’s CSR efforts.

The responses obtained for specific interview questions were content analysed. The data was pooled into five themes: (i) Espoused core values of the organization, (ii) Qualities considered important for success, (iii) Qualities considered important for selection, (iv) Vision statement and what it means to the organization and to an employee personally; and (v) Corporate Social Responsibility of the organization. Responses of the respondents were first categorized into broad heads under each theme, frequencies of responses counted under each category, and later converted into percentages.

**Document Analysis**

Document analysis is a useful tool for going beyond what is observable and available in the present context and situation. By asking different questions, finding new evidence, or assembling evidence in a different way, the researcher raises questions about old explanations and finds support for new ones by interpreting data in its cultural historical context.

Content analysis of organizational documents has been described as having a great potential for research on organizational values (Martin and Siehl, 1983; Rousseau, 1990; Kabanoff, 1996; Kabanoff and Daly, 2002; Daly, Poudre, and Kabanoff, 2004). Kabanoff and Holt (1996) content analysed annual reports and found that expressions of espoused values are quite stable, at least over relatively short time periods of 5 to 6 years. Content analysis of organizational documents has also been used to identify levels of CSR (Wolfe, 1991; Deegan and Rankin, 1997; Unerman, 2000; Raman, 2006).

The present study conducted document analysis of the following documents found to be of significance in understanding the organization’s espoused values, vision statement and CSR: (a) Chairman/ Managing Director’s speeches at Annual General Meetings from 2001 to 2006; and (b) Annual reports from 2001-02 to 2005-06.

**Procedure**

Data collection was begun after seeking permission from the concerned authorities. The HRD department helped in obtaining the lists of names of executives in various departments and a brief introductory letter. All the executives were then personally contacted and a rapport was established after giving them a brief outline of the aim of the study. In order to get their honest responses, they were informed that their identity would not be disclosed and that their responses would be kept confidential and used strictly for research purposes. The questionnaire schedule was administered in a one-to-one setting by the second investigator. This was done to prevent any participant from looking up the correct answers since the questionnaire was objective-type and also to ensure that the respondent omitted no item in the questionnaire, by chance or otherwise. Twenty interviews were conducted over about 10 visits to the organization mostly with prior appointments. The interviews ranged from a minimum of 45 minutes to about 1 hour and 30 minutes. Data collection was spread over a period of one month.

**FINDINGS**

**Understanding Company’s Core Values and Vision through Public Documents and Vision Statement**

Document analysis reveals that core values of the company are as follows:

**Customer Obsession:** This was expressed in statements as “The spirit of ‘Atithi Devo Bhava’ (a Sanskrit phrase which means that a guest is like God), prevails at each of our dealers” (2004-05) and “At the start of the year, your company had declared 2001-2002 as the Year of the Customer. It resolved to focus on total customer satisfaction and delight…” (2001-02).

**Fast/ Flexible/ First Mover:** This was expressed in statements as “Through a one stop shop, we strove to come good on our second value -- fast, flexible and first mover”
(2002-03) and “Investments in information technology will make us more responsive and quicker” (2001-02) to “The huge growth in sales volume was supported by flexible and efficient operations” (2004-05).

Innovation and Creativity: This was expressed extensively as, “Your company is concentrating on...steadily introducing newer models” (2004-05) and more significantly, “Maruti’s people decided to review current practices, assume nothing and look for better ways to achieve superior quality. In Innovation and Creativity was their core value, they lived it” (2002-2003).

Networking and Partnership: This was expressed in statements as, “This brings us to the subject of “partnership,” our theme for the Annual Report. I believe one of the factors for Maruti’s success so far has been our ability to forge and nurture partnerships” (2005-06), “In fact our dreams were not just ours. When we grew, so did the Indian auto-component industry. So did hundreds of small and large businesses associated with us as we expanded our network of partners” (2003-04) and “...But the turnaround endeavor was not internal to Maruti alone. ‘Networking and Partnership’ is not just a core value, it is intrinsic to Maruti’s growth. Our dealerships worked aggressively to maintain volumes in a sluggish market” (2002-03).

Openness and Learning: Several statements highlighted the importance of this value as, “The company invests substantial amount on their training at Maruti” (2005-06), “We also ushered in an open work culture” (2004-2005), “A turnaround of this magnitude demanded ‘Openness and Learning’ of a high order” (2002-2003). In 2001-2002 Annual Report, however, there was no mention of any statement professing this value.

Reference to the company’s core values in the annual reports have increased from the year 2001 to 2006. The Annual Report of 2006 had 5, 4, 10, 6, and 1 statements respectively for the five core values. The importance of the company’s core values can be verified from the company’s annual report of 2001-2002, as it clearly stated, “To be in the red can be a tough experience for any company. For Maruti, which grossed huge profits for almost its entire existence of 17 years, to slip into red would have been particularly difficult... But we were convinced that there was a way to cope with it... Fortunately Maruti adopted that approach and scripted a turnaround in 2001-02’. To achieve this, we chose to fall back on the company’s core values.”

The vision of Maruti, “The Leader in the Indian Automobile Industry. Creating Customer Delight and Shareholder’s Wealth; A Pride of India” also gives a reference to three of the five core values, namely- Networking and Partnership, Customer Obsession, Fast/Flexible/First Mover (Networking and Partnership as “Shareholder’s Wealth”, Customer Obsession as “Creating Customer Delight, Fast/Flexible/First Mover as “The Leader in the Indian Automobile Industry”). This again clearly points to the importance the company gives to its core values.

These findings are in line with Kabanoff, Waldorsee, and Cohen (1995). They analysed the frequency with which 88 organizations’ annual reports, internal magazines, and mission statements covering a five-year period (1986-1990) contained references to different values themes espoused by the organization, such as, authority, leadership, and affiliation. They found that the organizations that made maximum number (frequency) of references to the values in their documents gave maximum importance to their core (espoused) values.

Understanding Company’s Organizational Values as Espoused through the Company’s Corporate Social Responsibility

Document analysis revealed that the company is taking its CSR efforts very seriously. This is evident from the increase in references made about it by the company in its annual reports, from only three in 2001-2002 to eight in the year 2005-2006 annual report. The thrust of Maruti’s CSR is ‘road safety’, as can be seen from statements like: “Your company strengthened its road safety efforts” made in the 2006-2006 Annual Report. The 2004-2005 Annual Report included five such statements, one of which was, “Finally, 2004-05 was significant also because your company took decisive step forward in improving road safety in the country.” In the 2003-2004 Annual Report, the only statement made was, “Your Company has complied with the necessity for CSR efforts.” The 2002-2003 Annual Report included four statements, one of which was, “IDTR now also works with schools on ways to enhance road safety.” In the 2001-2002 Annual Report, there were three statements made highlighting the importance of CSR for the company. One of these three statements was as follows, “Your com-
pany continued to promote safe and responsible behaviour on roads.”

Maruti contributes towards road safety through its IDTR (Institutes of Driving Training and Research) and MDS (Maruti Driving Schools) initiatives. Taking forward its commitment to Road Safety, Maruti has adopted a National Road Safety Mission (2008) reflecting, “Gratitude to India on completion of 25 years” under the mission Maruti will train 500,000 people in safe driving in the next three years across India. Of the five lakh people to be trained, at least one lakh will be people from the underprivileged section of the society, who are keen to take driving as a profession. The cost of the training will be wholly borne by the company. Maruti will also help these newly trained drivers find employment (Banerji, 2008). In addition, it will “continue to support the government and industry in their efforts for road safety” (as reported on the company website).

Further, Maruti is also making efforts towards environmental concerns (“In its continuing commitment to the environment your company launched a programme on ‘Greening the Supply Chain’ management,” 2001-2002 Annual Report) and educating the under-privileged (as mentioned in the 2002-2003 Annual Report).

Large scale studies of annual and CSR reports of the top 100 companies in 16 countries and the top 250 Fortune 500 companies highlight a rising trend of social reporting in the last 13 years. Topics related to social issues are discussed by two-thirds of the companies under the categories of core labour standards, working conditions, community involvement, and philanthropy (KPMG, 2005). In India, 95 per cent of the top 50 companies made at least a mention of the practices related to social responsibility (Raman, 2006), the most popular themes being product/service improvement (80%), human resources (75%), community involvement, and philanthropy (KPMG, 2005). In India, 95 per cent of the top 50 companies made at least a mention of the practices related to social responsibility (Raman, 2006), the most popular themes being product/service improvement (80%), human resources (75%), community involvement, and philanthropy (KPMG, 2005). In India, 95 per cent of the top 50 companies made at least a mention of the practices related to social responsibility (Raman, 2006), the most popular themes being product/service improvement (80%), human resources (75%), community involvement, and philanthropy (KPMG, 2005). In India, 95 per cent of the top 50 companies made at least a mention of the practices related to social responsibility (Raman, 2006), the most popular themes being product/service improvement (80%), human resources (75%), community involvement, and philanthropy (KPMG, 2005). In India, 95 per cent of the top 50 companies made at least a mention of the practices related to social responsibility (Raman, 2006), the most popular themes being product/service improvement (80%), human resources (75%), community involvement, and philanthropy (KPMG, 2005).

Outside of regulatory considerations, companies engage in CSR reporting for three primary reasons (Dawkins and Ngunjiri, 2008): (a) to maintain and enhance perceptions of legitimacy; (b) to manage the perceptions of key stakeholders, and (c) as a reflection of their corporate values. The CSR reporting practices of companies are important because they signal company values with respect to CSR. Companies with high CSR ratings tend to provide more extensive disclosures than their peers (Gelb and Strawser, 2001), as is the case with the present company. According to the 2006 Global CSR study by TNS Automotive across 16 countries to understand perceptions of the general public towards automotive corporations, Maruti ranked the highest in CSR (TNS Report, 2006).

Employee Awareness of Espoused Values, Vision Statement, and CSR

Means and standard deviations were calculated for core values, vision statement, and CSR. The results show that employees’ awareness of espoused values, vision, and CSR was moderate, very low, and fairly high, respectively (Table 1). Standard deviation scores of 2.46, 0.96, and 0.46 for values, vision, and CSR respectively, indicate that there is moderate variability in the awareness and understanding of the values and the CSR. However, since variability of scores for vision is very low (0.96), combined with low mean on awareness (0.35), it implies that employees were uniformly unaware of the company’s vision. On comparing the awareness of various espoused values, employees seem to have a fairly adequate awareness and understanding of ‘Networking and Partnership’ and ‘Innovation and Creativity’, which have a mean score of 0.42 each.

Table 1: Mean and Standard Deviation Scores of Values, Vision, and CSR of the Organization

<table>
<thead>
<tr>
<th>Value 1</th>
<th>Value 2</th>
<th>Value 3</th>
<th>Value 4</th>
<th>Value 5</th>
<th>Total</th>
<th>Vision</th>
<th>CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td>Fast, Flexible, and First Mover</td>
<td>Innovation and Creativity</td>
<td>Networking and Partnership</td>
<td>Openness and Learning</td>
<td>0-1</td>
<td>0-5</td>
<td>0-4</td>
</tr>
<tr>
<td>Obsession</td>
<td>0-1</td>
<td>0-1</td>
<td>0-1</td>
<td>0-1</td>
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<td>0-1</td>
<td>0-1</td>
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<tr>
<td>Mean Score</td>
<td>0.38</td>
<td>0.42</td>
<td>0.42</td>
<td>0.36</td>
<td>0.38</td>
<td>1.96</td>
<td>0.66</td>
</tr>
<tr>
<td>SD</td>
<td>0.49</td>
<td>0.50</td>
<td>0.50</td>
<td>0.48</td>
<td>0.49</td>
<td>2.46</td>
<td>0.96</td>
</tr>
</tbody>
</table>
Further, chi-square was calculated in order to study the effects of gender, age, department, hierarchical level, and tenure, on understanding of values, vision, and CSR. Results (Table 2) reveal that there was a relationship between age of the employee and understanding of CSR of the organization (at \( p<0.01 \)), with older employees having a better awareness and understanding of the CSR than younger employees. Further there was a relationship between tenure and awareness and understanding of the value ‘customer obsession’ by the employees (at \( p<0.02 \)), with more experienced employees having better awareness and understanding of the organizational value ‘customer obsession’ as compared to the less experienced ones. The effect of the remaining demographic variables on the other values, vision, and CSR were not found to be significant.

The reason for an observed difference on the awareness and understanding of values, vision, and CSR according to tenure of employees could be that as employees spend more years in the organization, they learn to adhere more to the core values. Since ‘customer obsession’ was the value employees were also most aware of (Table 2), it might indicate that with increasing tenure, employees become more aware of the values of the organization, especially the value ‘customer obsession’ which is the first espoused value of the organization.

Further, as individuals grow older, they realize that profit earning should not be the only objective of an organization. It is equally, if not more, important for an organization to do good things for the society and just not ‘not do bad things.’ With greater experience in life they express the desire to be more socially responsible and hence are perhaps more aware of the company’s CSR efforts. This may have led to an age-wise difference observed in the awareness and understanding of values, vision and CSR. These results are in line with Wen-Chao (2002) who found that older generation employees had higher Confucian values (moderation in conduct, importance of keeping one’s promise, respect for elders, return to traditional ways, important of education, and avoidance of bad people) than employees of younger generation. Others (Futrell and Sager, 1982; Smola and Sutton, 2002) also found that age has an effect on work values. In contrast, Van der Wal and Huberts (2008) did not find age, gender, and years of service to determine value preferences.

### Employee Understanding of Espoused Values, Vision Statement, and CSR

In order to validate the quantitative data, qualitative data obtained through interviews was content analysed.

### Table 2: Chi-square between Values, Vision and CSR of the Organization and Demographic Variables of the Employees (\( N=90 \))

<table>
<thead>
<tr>
<th>Value 1: Customer Obsession</th>
<th>Gender</th>
<th>( \chi^2 )</th>
<th>df</th>
<th>Sig. value</th>
<th>Age</th>
<th>( \chi^2 )</th>
<th>df</th>
<th>Sig. value</th>
<th>Department</th>
<th>( \chi^2 )</th>
<th>df</th>
<th>Sig. value</th>
<th>Hierarchical Level</th>
<th>( \chi^2 )</th>
<th>df</th>
<th>Sig. value</th>
<th>Tenure</th>
<th>( \chi^2 )</th>
<th>df</th>
<th>Sig. value</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.57</td>
<td>1</td>
<td>0.45</td>
<td>0.89</td>
<td>2</td>
<td>0.640</td>
<td>8.59</td>
<td>6</td>
<td>0.20</td>
<td>10.38</td>
<td>6</td>
<td>0.11</td>
<td>7.91*</td>
<td>2</td>
<td>0.02</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value 2: Fast, Flexible and First Mover</td>
<td>0.64</td>
<td>1</td>
<td>0.43</td>
<td>1.27</td>
<td>2</td>
<td>0.53</td>
<td>4.56</td>
<td>6</td>
<td>0.60</td>
<td>3.12</td>
<td>6</td>
<td>0.79</td>
<td>1.62</td>
<td>2</td>
<td>0.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value 3: Innovation and Creativity</td>
<td>0.08</td>
<td>1</td>
<td>0.78</td>
<td>0.68</td>
<td>2</td>
<td>0.71</td>
<td>2.42</td>
<td>6</td>
<td>0.88</td>
<td>6.65</td>
<td>6</td>
<td>0.35</td>
<td>0.84</td>
<td>2</td>
<td>0.66</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value 4: Networking and Partnership</td>
<td>0.003</td>
<td>1</td>
<td>0.95</td>
<td>0.21</td>
<td>2</td>
<td>0.90</td>
<td>5.51</td>
<td>6</td>
<td>0.48</td>
<td>3.11</td>
<td>6</td>
<td>0.80</td>
<td>0.27</td>
<td>2</td>
<td>0.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value 5: Openness and Learning</td>
<td>1.79</td>
<td>1</td>
<td>0.18</td>
<td>0.90</td>
<td>2</td>
<td>0.64</td>
<td>8.64</td>
<td>6</td>
<td>0.20</td>
<td>9.80</td>
<td>6</td>
<td>0.13</td>
<td>2.01</td>
<td>2</td>
<td>0.37</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vision</td>
<td>3.547</td>
<td>4</td>
<td>0.471</td>
<td>4.97</td>
<td>8</td>
<td>0.76</td>
<td>23.19</td>
<td>24</td>
<td>0.51</td>
<td>22.47</td>
<td>24</td>
<td>0.55</td>
<td>8.13</td>
<td>8</td>
<td>0.42</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR</td>
<td>0.54</td>
<td>1</td>
<td>0.816</td>
<td>8.22*</td>
<td>2</td>
<td>0.01</td>
<td>5.20</td>
<td>6</td>
<td>0.52</td>
<td>5.26</td>
<td>6</td>
<td>0.51</td>
<td>3.88</td>
<td>2</td>
<td>0.14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: Value significant at 0.05 level of significance.
Employee Understanding of Espoused Values

Table 3: Espoused Values of the Organization (N=20)

<table>
<thead>
<tr>
<th>No.</th>
<th>Espoused Values of the Organization</th>
<th>Frequency</th>
<th>Percentage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Customer Obsession</td>
<td>13</td>
<td>65</td>
</tr>
<tr>
<td>2.</td>
<td>Networking and Partnership</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>3.</td>
<td>Openness and Learning</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>4.</td>
<td>Fast, Flexible and First Mover</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>5.</td>
<td>Innovation and Creativity</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>System Driven</td>
<td>8</td>
<td>40</td>
</tr>
<tr>
<td>2.</td>
<td>Corporate Social Responsibility</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Quality</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>4.</td>
<td>Professionalism</td>
<td>2</td>
<td>10</td>
</tr>
</tbody>
</table>

*Note: The %s do not add up to 100 as employees reported more than one value at a time.

Table 3 shows that the value considered important by most of the respondents was customer obsession, articulated by 65 per cent of employees as “customer care,” “total customer satisfaction,” “customer driven organization,” “enhancing customer value,” “customer loyalty,” etc. Other four values, viz., networking and partnership, openness and learning, fast/flexible/first mover and innovation and creativity were mentioned by only 30 per cent, 25 per cent, 20 per cent, and 15 per cent of the employees, respectively.

Employee Understanding of Vision

Table 4 presents the employees’ understanding of the organizational vision statement and what it means to the employee personally. When asked about whether they could state the vision statement and explain what it means to them, 50 per cent of the employees were not even aware of the vision statement and were unable to state or explain it. Some typical responses were, “I don’t care much,” “Don’t remember,” “Do we have a vision statement?” “Yes, there is one but I don’t recall it right now, it must be on the board,” etc. Hence the awareness and understanding of the vision by the employees was found to be very inadequate. Nonetheless, the part of the vision that employees were most aware of was ‘Leader,’ articulated by 30 per cent of the employees as “No.1 in the automobile industry,” “Leader of the Car business,” etc. Other parts of the vision which the respondents greatly seem to be aware of included, ‘customer delight,’ expressed by 25 per cent of the employees as “For us our customer is next to God (Atithi Devo Bhava),” “customer care,” “To give that extra special to our customers,” etc.

Table 4: Vision Statement and What it Means to the Employees (N=20)

<table>
<thead>
<tr>
<th>No.</th>
<th>Elements of Vision Statement</th>
<th>Frequency</th>
<th>Percentage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Leader</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>2.</td>
<td>Customer Delight</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Shareholder’s Wealth</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>4.</td>
<td>Pride of India</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>Others (Good Product and Services, Integrity, HR, etc.)</td>
<td>7</td>
<td>35</td>
</tr>
</tbody>
</table>

Note: * The %s do not add up to 100 as employees reported more than one view at a time.

While expressing their views about the vision statement, seven employees said that they did not find it motivating enough, while five said it was more or less satisfying. However, three mentioned that the vision makes them feel proud. Thus, even though there were a few who were aware of the vision statement, since the majority was not, the overall awareness was found to be less than adequate.

Research documents some doubt as to whether mission-vision statements have any value in driving organization forward. Most statements encountered often are of little value because they fail to grab people’s attention or motivate them to work towards a common end (Collins and Porras, 1991) and often end up just restating necessities as objectives. Others have gone even further, dismissing most corporate mission statements as “Biblical beatitudes” (Deal and Kennedy, 1982). The formal vision and value statements are tailored more for customers, shareholders, creditors, government, and society in general, rather than its employees, many of who are not even aware that one exists!

Employee Understanding of CSR

Table 5 reveals that the awareness of CSR was very high, in sharp contrast to employee awareness of organizational vision. Ninety-five per cent of the employees were
aware that road safety was the thrust of Maruti’s CSR. They also suggested that the company should expand its vistas and help children by opening schools and the underprivileged by adopting villages. Further, employees reflected on the importance of CSR for the organization. They felt that the management is just and interested in not only their well-being but also that of the society. An overwhelming majority felt proud of the company’s CSR, while only fifteen per cent felt that it is mere lip service. Employees also felt that since the company was contributing to the society in its core competency, i.e., road safety, it was sustainable in the long run.

Table 5: Corporate Social Responsibility of the Organization (N=20)

<table>
<thead>
<tr>
<th>No.</th>
<th>CSR Efforts of the Organization</th>
<th>Frequency</th>
<th>Percentage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Road Safety</td>
<td>19</td>
<td>95</td>
</tr>
<tr>
<td>2.</td>
<td>Childrens’ Park</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>3.</td>
<td>Schools in Gurgaon</td>
<td>4</td>
<td>20</td>
</tr>
</tbody>
</table>

Others

<table>
<thead>
<tr>
<th>No.</th>
<th>CSR Efforts of the Organization</th>
<th>Frequency</th>
<th>Percentage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Children Welfare</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>2.</td>
<td>Rural Upliftment</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>3.</td>
<td>Adoption of Village</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>4.</td>
<td>LPG/CNG Cars</td>
<td>2</td>
<td>10</td>
</tr>
</tbody>
</table>

Personal Views on CSR

<table>
<thead>
<tr>
<th>No.</th>
<th>Personal Views on CSR</th>
<th>Frequency</th>
<th>Percentage**</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Makes you proud</td>
<td>17</td>
<td>85</td>
</tr>
<tr>
<td>2.</td>
<td>Mere lip-service</td>
<td>1</td>
<td>15</td>
</tr>
</tbody>
</table>

Note: *The %s do not add up to 100 as employees reported more than one view at a time.

Maignan, Ferrell and Hult (1999) also found that employees of socially proactive organizations, whose goals go beyond mere maximization of profits, are likely to feel bound to their employer and be supportive of its objectives. The corporate community in India has been under severe criticism for its indifferent attitude towards the weaker sections of the society (Singh, 1979; Singh, Maggu, and Warrier, 1980; Baxi, 2005). The employees of the present organization, however, were extremely positive about their company’s commitment to CSR. Most of them mentioned that since the company has been doing so well it is its duty to give back to the community. Indian scriptures too prescribe an organizational philosophy that will facilitate attainment of spiritual goals of life and thus define organization’s purpose in terms of promoting social welfare. CSR has been postulated as deep roots on which Indian managers can develop a structure of values (Chakraborty and Rao, 2001).

Understanding Values as Actually Practised in the Organization

Values Considered Important for Success

When respondents were asked about the values important for success in the company (Table 6), they all stated the characteristics of a successful person in the company with a fair amount of consensus among them, viz., hardworking, good at networking, gives new ideas, good communication skills, adaptable, team work. Out of these, ‘good at networking’ was in line with the core value ‘networking and partnership,’ ‘adaptable’ was in line with the core value, ‘fast/flexible/first mover,’ and ‘gives new ideas’ was in line with the core value, ‘innovation and creativity.’ The remaining core values, ‘customer obsession’ and ‘openness and learning’ did not come across as being practised in the organization. In fact, employees mentioned, ‘good communication skills,’ and ‘impression management’ as important. This was clearly stated by one employee as “Try to appear busy and be able to get your idea across to the boss. It does not matter whether you have actually done anything in the project but as long as you can prove it in front of the boss that you were in charge, you will be successful.”

Table 6: Qualities Considered Important for Success in the Organization (N=20)

<table>
<thead>
<tr>
<th>No.</th>
<th>Qualities Considered Important for Success</th>
<th>Frequency</th>
<th>Percentage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Hardworking</td>
<td>13</td>
<td>65</td>
</tr>
<tr>
<td>2.</td>
<td>Good at Networking</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>3.</td>
<td>Gives New Ideas</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>4.</td>
<td>Good Communication Skills</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>5.</td>
<td>Adaptable</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>6.</td>
<td>Team Work</td>
<td>3</td>
<td>15</td>
</tr>
</tbody>
</table>

Others

<table>
<thead>
<tr>
<th>No.</th>
<th>Qualities Considered Important for Success</th>
<th>Frequency</th>
<th>Percentage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Flexible</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>2.</td>
<td>Hold on Business Fundamentals</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>3.</td>
<td>Positive Attitude</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>4.</td>
<td>Long Tenure</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>5.</td>
<td>Leader</td>
<td>2</td>
<td>10</td>
</tr>
</tbody>
</table>

*Note: The %s do not add up to 100 as employees reported more than one quality at a time.

Qualities Considered Important for Selection

When asked about the qualities considered important for selection of an individual, most of the respondents again answered with a fair amount of consensus (Table
7), viz., ‘fire in the belly,’ ‘pleasing personality,’ ‘hardworking,’ and ‘leadership abilities,’ which were expressed by 65 per cent, 55 per cent, 45 per cent, and 35 per cent of the employees, respectively. Other mentioned qualities were ‘flexible,’ ‘compatible with existing culture,’ and ‘good hold on business fundamentals,’ expressed by 20 per cent, 20 per cent, and 15 per cent of the employees, respectively. Out of these, ‘flexible’ is in line with the core value ‘fast/flexible/first mover.’

Table 7: Qualities Considered Important for Selection in the Organization (N=20)

<table>
<thead>
<tr>
<th>No.</th>
<th>Qualities Considered Important for Selection</th>
<th>Frequency</th>
<th>Percentage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fire in the belly</td>
<td>13</td>
<td>65</td>
</tr>
<tr>
<td>2.</td>
<td>Pleasing personality</td>
<td>11</td>
<td>55</td>
</tr>
<tr>
<td>3.</td>
<td>Hard work</td>
<td>9</td>
<td>45</td>
</tr>
<tr>
<td>4.</td>
<td>Leadership abilities</td>
<td>7</td>
<td>35</td>
</tr>
<tr>
<td>5.</td>
<td>Flexible</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>6.</td>
<td>Compatible with the existing culture</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>7.</td>
<td>Good hold on business fundamentals</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>8.</td>
<td>No ‘Yes Boss’ habits</td>
<td>3</td>
<td>15</td>
</tr>
</tbody>
</table>

*Note: The %s do not add up to 100 as employees reported more than one quality at a time.

Gap between Espoused and Practised Organizational Values

Table 8 presents a comparison between the espoused and practised values of the organization. The results from the document analysis and the questionnaires help to put forward the espoused values of the organization and the interview results help to assess whether the espoused values are being practised or not.

Table 8: Comparison of Espoused and Practised Values (N=20)

<table>
<thead>
<tr>
<th>No.</th>
<th>Espoused Values</th>
<th>Practised Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Customer Obsession</td>
<td>Communication Skills</td>
</tr>
<tr>
<td>2.</td>
<td>Fast, Flexible and First Mover</td>
<td>Flexibility</td>
</tr>
<tr>
<td>3.</td>
<td>Innovation and Creativity</td>
<td>Innovation</td>
</tr>
<tr>
<td>4.</td>
<td>Networking and Partnership</td>
<td>Networking</td>
</tr>
<tr>
<td>5.</td>
<td>Openness and Learning</td>
<td>Hardworking</td>
</tr>
</tbody>
</table>

Table 8 clearly shows that while the espoused values of the organization include: Customer obsession, fast/flexible/first mover, innovation and creativity, networking and partnership, openness and learning, the values actually practised in the organization are: Communication skills, networking, hardworking, flexibility, and innovation. These results show that three of the five espoused core values are actually practised by the employees and the organization: Networking, Flexibility, and Innovation. However, a gap exists between the practised and the espoused value of customer obsession. Even though the annual reports repeatedly mention “customer obsession” and the awareness of this value was a high 65 per cent among the employees, not even one employee mentioned it as important for success in the organization. Further, in case of vision, both awareness and practice were found to be inadequate.

These results are in line with Anthony (1989), who argues that the belief systems, values, and meanings are virtually never successfully transmitted beyond the boundaries of management to the intended receptors, leading to a difference between the espoused and the practised values in an organization. Singh and Das (1977) also found a substantial gap between the espoused and practised values. Knights and McCabe (1999) found a disparity between the theory of Total Quality Management and how it worked in practice. Similarly, Swales and Rogers (1995) found that official values had no relevance for the participants; even though they had no objection to the values as counsels of perfection, they perceived little evidence of them acting as drivers of company policy or practice.

Gioia, Schultz and Corley (2000) found that there were a number of challenges faced in precisely linking organizations’ espoused values and what they implied in other aspects of organizational practices, strategies, or beliefs. In case of a disagreement between what the organization states as its values and how the organization demonstrates its values, the organization sometimes consciously goes with the demonstrated rather than the stated values (Kujula and Ahola, 2005). It seems that values deemed crucial in daily organizational decision-making are merely espoused “truisms” (Van Rekom, et al., 2006) and regarded as cosmetic (Brooks and Bate, 1994).

The inculcation of common work-related values into the minds and behaviours of employees is indeed a Herculean task. For achieving this, the organization can either ‘buy values’ or ‘make values’ (McDonald and Gandz, 1992). The former involves selecting employees...
whose existing personal work-related values are in tune with the organizations’ values as opposed to the latter that involves socializing individuals to acquire a required set of values. Steps should be taken to hold workshops, training programmes, focusing on not only ‘what’ the values are and their importance, but also the ‘how’ of achieving them. Further, a strong linkage between the philosophy and systems governing behaviour must be created. Rites and rituals such as informal gatherings and get-togethers amongst employees are also effective techniques of inculcation of common values. Most importantly, actions of key individuals provide important clues as to what is really wanted from all employees. If management is consistent, then members of the organization will develop consistent expectations. Through this consensus process, clear norms will emerge.

CSR: A FRUITFUL BUSINESS PRACTICE

Considering the enormous impact of CSR in this organization, it may be suggested that CSR may be more relevant that an erudite vision statement that does not inspire trust or passion among employees, the way that CSR does. Vision seems to represent ‘a bland statement of the obvious,’ ‘just a passing fad,’ ‘a half-hearted initiative’ or ‘an irrelevant piece of window-dressing,’ at least in this organization. CSR, on the other hand, is potentially fruitful businesses practice both in terms of internal and external marketing (Maignan, Ferrell and Hult, 1999).

Maruti’s tryst with CSR can be better understood by analysing the new context under which it is operating now versus the context at the time it was established. Till the early 1980s, vehicle production was closely regulated by an industrial licensing system that controlled output, models, and prices. Maruti was the undisputed leader in the automobile utility-car segment sector, controlling about 84 per cent of the market till 1998. Increasing competition from both local and foreign players post-liberalization resulted in declining profits and market share for Maruti. In the wake of its diminishing profits and loss of market share (first ever book loss reported in 2000-01), Maruti initiated strategic responses to cope with India’s liberalization process. Maruti established Maruti Driving Schools (MDS) in 2005 with the goal to capture the market where there is inhibition in buying cars due to inability to drive the car. This brings that customer to Maruti showroom and Maruti ends up creating a customer.

Further Maruti’s recently introduced National Road Safety Mission has been designed to have all the elements of a good CSR programme: partnership with stakeholders, use of corporate management skills to benefit society, utilizing existing resources and a national reach, in addition to making a financial contribution. According to the Chairman, Mr. Bhargava (2008), modernization of automobile industry was incomplete unless people learnt to drive safely for themselves and for others on the road. He says, “The country does not have infrastructure to teach people how to drive correctly and we have taken upon ourselves to play a part in training drivers” (The Hindu, December 25, 2008).

Corporate communications significantly influence the process of constructing responsibility for consumers (Caruana and Crane, 2008). By emphasizing road safety, Maruti is co-creating the meaning of responsible consumption. It seems that Maruti is effectively using its CSR mission and values as a useful tool to communicate indirectly to customers, to create ties with them based on shared values, and to gain their patronage. Studies have highlighted the fact that only those companies that have strong ethical foundation have survived and grown (Collins and Porras, 2002; Sims, 2003).

For a CSR initiative to lead to a strategic competitive advantage, it must be central to the firm’s mission, provide firm-specific benefits, and be made visible to external audiences (Sirsly and Lamertz, 2008). CSR can be integrated into the strategic activities of the business organization (Burke and Logsdon, 1996; Martin, 2002; Mc Williams, Siegel and Wright, 2006), as in the case of the present organization.

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

Three limitations of the study merit attention and consideration in future research. First, content analysis of annual reports was used to assess espoused organizational values. It is possible that values captured by such an analysis may be no more than examples of impression management to influence stakeholders towards a favourable interpretation of managerial performance (Staw, McKechnie and Puffer, 1983). One possible avenue for future research could be to obtain documents beyond the chairman’s speeches. Ideally, these would
be internal documents that are, of course, more difficult to obtain than public documents but would help in giving a better insight into the organization and its working. Second, elements of social desirability and coincidence related to this type of measurement are inevitable. The sample for the current study was restricted to executives from the corporate headquarters. It is possible that with a different set of sample, e.g., from top management, the picture might have been different. Future research could try case study approach and in-depth interviews on what is truly valued with a larger sample size. Last, the validity and generalizability of the results of the current study are limited to the present organization. For future research purposes, a large number of organizations may be studied to determine the utility of organizational values and CSR by relating it to organizational variables such as organizational effectiveness, profitability, and market position, as well as employee outcomes like citizenship behaviour, tenure, employee engagement, and even job performance.

CONCLUSION

Corporate values and vision may drive employee behaviour provided espoused and practised values are aligned. The process of value internalization, affirmation, and renewal must be ongoing. CSR may replace organizational vision as a powerful strategic tool for managing employee-relevant outcomes, such as organizational attractiveness. The results of the present study suggest that CSR has the potential to become a product or service strategy designed to sustain a competitive advantage. One may even go as far as stating that CSR be reconceptualized as Corporate Social Necessity. It is also recommended that the organizations’ strategy on CSR must be in line with their core competency to provide them with a competitive edge. CSR can no longer be seen as “one-size-fits-all” approach, but companies need to be explicit about what their CSR approach is and why this approach is appropriate for them. Today’s companies ought to invest in CSR as part of their business strategy to become more competitive.

APPENDIX: UNDERSTANDING ORGANIZATIONAL VALUE QUESTIONNAIRE

A. From among the following values, tick mark the ones our company ‘X’ stands for:
1. Customer satisfaction
2. Customer obsession
3. Customer care
4. Quick to respond, dynamic
5. Risk taking, imaginative solution
6. Fast, flexible and fast mover
7. Adherence to rules, steadfast
8. Team building, building partnership
9. Growth and learning
10. Innovation and creativity
11. Adaptation, surviving and growing
12. Networking and partnership
13. Go-getter, quick
14. Safety first
15. Openness and learning

B. Please state/explain the ‘Vision’ statement of Maruti.

C. Please tick mark the thrust of the Company’s Corporate Social Responsibility (CSR):
1. Environment concern
2. Road safety
3. Child welfare
4. Educational benefits
5. Social welfare
6. Driving training institute

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