CHAPTER - VIII

SOCIAL RESPONSIBILITY MOVEMENT IN INDIA

The main objective of this chapter is to describe how the concept of social responsibility has gained momentum and acquired strength during the post-independence period in India and also to establish with empirical evidence that Indian managers are socially responsive.

An Ancient Concept:

The concept of social responsibility came to the western world as something new while for businessmen in India it is not. Pointing out at the fact that the traditional Indian philosophy is embedded with the principle of equity and social welfare, Arvind Mafatlal stated: "According to Gandhiji, the very first verse of Ishopanishad given below epitomised the entire philosophy and culture of India.

Eee Savasyamidam Sarvam Tathkinchajagatyam Jagat! Tena Thyaktena Bhujiya Kasyasviddanam!

Though this can be variously interpreted, what it broadly meant is: 'the entire universe and all that in it is the abode of the Almighty. Enjoy the good things of life by
sharing them with others. Do not covet the possessions of others'. The modern version of these abiding truths of our heritage could be restated thus: Today, the owners of capital and wealth have no absolute right over the economic assets for personal gain; they have to use these assets for the good of the Society as a whole; this is the basic function and the only justification of ownership of wealth.¹

Citing the practices of the businessmen in the past, Mafatlal opines that the acceptance of social responsibility is to be viewed no more than rededicating ourselves to the cherished values of our ancestors in the field of business. He observes: "In the olden days in India, whenever there was famine, the leading businessmen of the area would literally throw open their treasure chests to provide food and other assistance to the needy. The history of every region of this country is replete with stories of the magnificent manner in which businessmen rose to the occasion in times of calamity. Even in ordinary times, it was the businessman who looked after the welfare of the destitutes, ghosalas, wells and ponds, where water was difficult to get, the phatasalas and so on."² But with the

² Ibid.
advent of British and subjugation of India, the moral fibre of every stratum of society showed some weakening and the businessman fell from his position of esteem to a level lower than the common man. Consequent upon this, Indian businessmen, who are centuries ahead of their western counterparts in philosophy, lagged behind them in practice at least by a decade.

The Revival:

It is only in 1960s that a debate on social responsibilities of business was started. The emphasis on industrialisation and the rise of service-oriented public sector enterprises, the awareness among the public about the widening gulf between the rich and the poor, the socialistic philosophy of our Government and its efforts to build an egalitarian society, the socially conscious role of voluntary organisations like Federation of Indian Chambers of Commerce (FICCI), Indian Merchants Chamber (IMC), All India Management Association (AIMA) and Associated Chamber of Commerce and Industry (ASSOCHAM) and the various academic institutions and associations have given major impetus to the corporate social responsibility movement in India. In 1965, Seminars were held at New Delhi, Bombay, and Calcutta at the instance of Late Sri Jayaprakash Narayan, the great Sarvodaya Leader, by the India International Centre and
Gandhian Institute of Studies at Varanasi. The Calcutta Seminar set up a Study Group under the Chairmanship of Sri P.B. Mukharji to find out the forms, standards and nature of social responsibility of business. This has set pace for the active consideration of business and society relationships by industrial houses and the associated organisations.

**The Rise of Public Sector:**

The public sector in India is envisaged as an essential feature and dynamic instrument for achieving socialism. During the last three decades, public enterprises have penetrated into various industrial activities to achieve multiple social and economic objectives. And today, there is hardly any sphere where the direct participation of the public sector is not seen.

The roots and growth of the philosophy can be traced from the Industrial Policy Resolutions of 1948 and 1956 and various Five Year Plans documents. The Industrial Policy Resolution of 1948 called for a dynamic national policy

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directed "to a continuous increase in production by all possible means, side by side with measures to secure its equitable distribution". For implementing this policy, the Resolution laid emphasis on the need for "the State to play a progressively active role in the development of industries". The Second Plan stated: "The public sector has not only to initiate development which the private sector is either unwilling or unable to undertake. It has to play the dominant role in shaping the entire pattern of investment in the economy... if development is to proceed at the pace envisaged and contribute effectively to the attainment of the larger social ends in view...". The tenets of the philosophy of Public enterprise were succinctly stated in the modified industrial licensing policy announced in 1973. It reads: "In the context of the approach to the Fifth Five Year Plan, the State will have to take direct responsibility for the future development of industries over a wide field in order to promote the cardinal objectives of growth, social justice, self reliance and satisfaction of basic minimum needs".

The philosophy of the public sector is thus a direct derivative of the philosophy of the Government and its primary objective is ushering in a more productive and equitable economic and social order. Propagating the ideas like model employership, profit through service, growth
without imbalance and welfare without discrimination, the public sector has lifted the visions of the industrial enterprises from the narrow, self-centred level to enlightened nation-oriented intellectual plane. It has become the major source of inspiration for the masses bordering on the poverty line, kindled new spirit and enthusiasm for having a brighter future for themselves and their children, generated a new awakening about the rights and responsibilities of individuals and institutions and reinforced faith in political democracy. In fine, by setting a new trend in philosophy and practices of corporate enterprises, public sector has promoted and fostered corporate social responsibility movement in India.

**Efforts of Institutions:**

As a socially conscious organisation of business, FICCI ever since its inception in 1927, has been taking active interest in rural development, family planning and social welfare. FICCI has called upon the managements of all enterprises in the country not to do anything that will result directly or indirectly in any restrictive trade practices. But, on the contrary, do everything in their power to support the objectives of spreading entrepreneurship, safeguarding economically weaker sections of the society and promoting balanced development in terms of economic sectors and different regions.
In 1972, FICCI recommended guidelines for the conduct of business. It was urged that social good should always be the first priority and a spirit of service should permeate all activities. Good citizenship, it was emphasised, consists in scrupulous adherence to all laws, economic, social and others. Besides, large enterprises should provide opportunities and assistance to small enterprises to grow up as ancillaries or as producers of end-products; adequate provisions should be made for research and development; growth of skills through all means should be actively assisted and environmental pollution avoided. It is towards this end that FICCI has constituted a special sub-committee known as Rural Development, Family Planning and Social Welfare Sub-committee in 1976.

The Sub-committee is supposed to play the role of a catalyst and coordinator in the development activities undertaken by business houses. Its activities included organising Seminars and Workshops to motivate businessmen and also to provide them a forum for exchange of views, organising training programmes for executives in charge of rural development, compiling profiles of small and medium technologies which could fit into the rural setting. It has organised a Training Programme for Executives Incharge of Rural Development Projects in Collaboration with the Federation of Karnataka Chambers of Commerce and
Industry and Centre for Rural Development Studies, University of Agricultural Sciences at Bangalore from 20th to 22nd October, 1980. Recently it conducted a survey to review the activities and problems of the industrial houses involved in rural development, which is at present in the processing stage. FICCI has instituted in 1968, Annual Public Service Awards for outstanding achievements by individuals, corporations and institutions in the field of family planning, research in science and technology (including three cash awards of Rs. 10,000 each) rural development and training and placement of disabled persons.  

Another important organisation, The Indian Merchants Chamber, with a view to enabling the various member companies to discharge social responsibilities has formed a special sub-committee. It propagates among the masses the need for family planning, and discusses and formulates schemes for member organisations. It has instituted a Permanent Relief Fund from which it makes contribution to mitigate the hardships of the people affected by national calamities such as drought, flood, earth quake, cyclone etc. Recently on 22nd and 23rd November 1980, it has organised a Seminar on 'Rural Development: Involvement of Business and Industry'.

under the joint auspices of IMG, Bombay Management
Association and Bombay Chamber of Commerce and Industry in
which 150 top and senior executive from various companies
participated.5

ASSOCHAM, which is the oldest apex body of commerce
and industry in India, has instituted annual awards in
four specific areas - which are considered of 'utmost
critical importance to the Indian economy'. These are:

(a) Consumer protection and service through
an appropriate distribution network;

(b) Import substitution through indigenous
R and D;

(c) Promotion of rural and agricultural
activities;

(d) Promotion of ancillary industries through
self-employed entrepreneurs in small-scale
sectors.6

The All India Management Association and its 27
affiliates celebrated Management Consciousness Week during
the period February 12-19, 1970, to promote social consciousness

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5 73rd Annual Report and Indian Merchants Chamber, 1980;
Brochure, Indian Merchants Chamber, Bombay, 1980.

6 ACC Bags ASSOCHAM Award for Rural Work, Brochure,
(Publicity and Public Relations Manager, ACC Ltd.,
Bombay).
among managers and enhance management consciousness in all organisations in the society. The National Management Convention held through February 12-14, 1971 drew managers from various organisations in different sectors of the economy. It highlighted the changing environment, the direction and magnitude and explored how managers in different sectors can manage this change and play a positive role in giving a sense of direction. In 1978, All India Management Association hosted the World Management Congress of the World Council Management held in New Delhi from 5th to 8th December. The main theme of the Congress was: 'Management Perspectives for Economic Growth and Human Welfare'. The Congress has given opportunity for getting new insights into the evolving close interrelationships between the economic progress and social welfare and for outlining the role of contemporary managers in the emerging new context.

AIMA and its affiliates conduct Seminars, Workshops and Symposia on various aspects of management. AIMA

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7 Management in the Changing Social Environment, Proceedings of the National Management Convention, All India Management Association, New Delhi, 1971.

conducted a symposium on 'Industry's Role in Rural Development' on September 9, 1977 and also a workshop on January 23, 1981. Bombay Management Association, the most active of all the affiliate associations conducted in 1978 a Seminar on 'Rural Development - Opportunities to Industry' and in 1980 it held another Seminar on a similar theme jointly with IMC and Bombay Chamber of Commerce and Industry'.

The academic bodies and professional institutions have done much for the promotion of social consciousness among Indian Managers. Almost all universities offering management courses included the theme - Social Responsibility of Business, as a topic for study. The School of Commerce, University of Rajasthan conducted a Seminar on Business Leadership in India, on February 25th and 26th 1968 which urged the business leaders to be responsible to various classes of citizens, institutions and the nation as a whole.

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The All India Commerce Association in its XVIII Conference at Waltair from December 22-25, in 1975, discussed the Social responsibilities of business. The Sixth National Convention of Company Secretaries held on February 16th and 17th at Goa, examined the conceptual controversies and design problems of social report and social audit.

The XXIII National convention of Cost and Management Accountants held through February 7-9, 1981 discussed ways for achieving social audit through cost audit.

The Press in India is sensitive to the transforming role of business and making efforts to keep public informed about the views of executives, the performance details of the enterprises and the various problems they confront in the discharge of their obligations, through publication of articles, interviews and special features. Industrial Times in one of its issues in 1978 published under the caption 'Management and Rural Development', the interview responses of executives of some leading companies engaged


in rural development. The Economic Times brought out a special feature focussing on Social Responsibilities of Business and Trade Union. It presented the views of some of the eminent industrialists and active trade union leaders. The Institute of Current Affairs conducted a Seminar on September 13, 1980 on Social Responsibilities of Business and Labour and it was in a detailed way published by Parlance, a monthly Journal of public opinion and analysis.

Exhortations by Leaders:

The need for displaying concern for societal problems was emphasised by political as well as business leaders. Mahatma Gandhi enunciated the principle of trusteeship for business to follow. "Perhaps the most reliable definition... or atleast a recognizable shape - of the concept, can be built up from Gandhi's own writings on the subject: 'My advice is that moneyed men should be allowed to retain..."


the Stewardship for their possessions and to use their talents to increase their wealth. They may earn their crores (only honestly of course) but so as to dedicate them to the service of all! Late Pandit Jawaharlal Nehru, the first Prime Minister of the nation told businessmen, 'If we do not ultimately solve the basic problems of food, clothing, housing and so on, it will not matter whether we call ourselves Capitalists, Socialists, Communists or anything else. If we fail to solve these problems, we shall be swept away and somebody else will come in and try to solve them.'

Late Sri Lal Bahadur Sastri, the second Prime Minister of India in his Inaugural address at the International Seminar, Delhi advocated business to accept the philosophy of trusteeship and improve the image of business and industry. He said: 'In our humble way, we are trying to build a welfare state on a Socialistic Pattern - The criterion of determining the line of advance must not be profit but social gain. The benefit of development must accrue more and more to the relatively less privileged class of society. Too often the community views the


businessman's aims selfish gains rather than advancement of the general welfare. That impression can be removed only if business is fully alive to its Social responsibilities. 21

Mrs. Indira Gandhi, Prime Minister in her Inaugural address at the National Management Convention said: "Management in India today is called upon to act and plan for the future in the face of political and economic changes. As economic growth proceeds, the environment changes and instead of inhibiting growth, it acts as an accelerator. In bringing about this transition, the manager has not only to be efficient in his work but he has also to be responsive to the environment in which he functions. He is certainly responsible to his employers but he also owes responsibility to the public at large. What does this larger responsibility mean? To me, it means working for the objective of achieving a 'social basic minimum' for every individual. Unless this is attained, there can be no stability. And without stability, business itself cannot flourish. Investment in the welfare of the masses is a guarantee of the long-run business survival itself".

21 Malgonkar, op.cit., pp.94-95.
Morarji Desai, former Prime Minister of India, inaugurating the World Management Congress of the 18 World Council of Management asked managers to put first things first and emphasized that human welfare is the aim and that economic growth is only a tool.

Former Defence Minister Jagjivan Ram, inaugurating the 5th Regional Conference on "Institutional Project Financing and the Role of a Company Secretary" advised professionals not to forget their social role. He opined: "Indirect taxes which were becoming a major source of mobilising social resources were ultimately paid for by the average man in the street. He was beginning to realise this and he would be justified in asserting his right in determining management policies of industrial and commercial enterprises. Often businessman resisted attempts to regulate their working in the name of freedom of enterprise. What they often forget was that the common man today was not only their political master but was increasingly becoming their pay master. Hence the common man had a right to see to it that the public authority which he himself had contributed, took steps to ensure that economic growth served the larger social good. Healthy economic growth called not only for professionalism, but also a correct social outlook". 22

22 Indian Express, September 19, 1978.
Prominent among the industrialists, who believed in and voiced the theory of Corporate Social Responsibility are J.R.D. Tata, A.N. Mafatlal, Ramakrishna Bajaj, Harish Mahindra A.N. Haksar, K.N. Modi and Hari Shankar Singania.

Speaking on the theme "Management in the changing Social Environment - Industrialists, Harish Mahindra, Managing Director, Mahindra Ugaine Steel Co., Ltd., stressed the need for observing the traditional norms of our society even in the changing context. He said: "Management in changing social environment calls for an intelligent understanding of the different social forces at work and the direction in which they are pulling the society as a whole. Hindu society is known to prefer a dharmic society. Though it could be interpreted that there is a social sanction for the accumulation of wealth we cannot fail to observe that such a sanction is on the condition that a person who does so meet the social obligation of feeding Brahmins, serving pious causes, parents and family members. The pursuit of artha can therefore, be only interpreted as permitted or permissible but not for its exclusive private enjoyment."

A similar view was expressed by Arvind Mafatlal, Chairman, Mafatlal Group of Companies in his Anantha Ramakrishna

Manorial Lecture. According to him: "Social justice and economic growth are inextricably intertwined in a modern democratic society. Emphasis on any one to the exclusion of the other will create such distortions in the economy and the social life that ordinary functioning of democracy might become impossible."24

A.N. Haksar, Chairman of ITC Ltd., emphasising the significance of accelerating economic growth for the effective discharge of social responsibility wrote: "I would submit that it is not possible for any country to have social justice without economic growth. I would further submit that there are four significant measures for our country's development. These are, an increase in the GNP, availability of work, distribution of income for which employment is the best vehicle, and the quality of life. The first connotes economic growth, while the last three spell social justice, and it is here that we can exercise our sense of social responsibility."25

Rama Krishna Bajaj in his Presidential Address at the XVIII All India Commerce Conference, Waltair, 1974 opined that social responsibility by its inseperable bond with

24 Ibid., pp.199-200.
economic responsibility is inescapable. He stated:

"In the changed context, business has a role that goes beyond its traditionally accepted limits of activity. Today, the businessman has to accept and fulfil not only economic but also civic responsibilities. He lives in a particular social environment and as he has the requisite talent, capacity and know-how, he has to contribute his share to the betterment of the living conditions of people living around him. In other words, community service must now become integral part of business activity. This is not a matter of philanthropy .... these two responsibilities are not separate but inter-linked and inter-dependent." 26

Dwelling on the interrelationship of business and society and the limitations on the role of business, K.N. Modi, Chairman, Modi Enterprises pointed out: "Since business functions in a social milieu and is a part of it, it cannot be oblivious to its environment. The interaction between business and society is constant; one influences the other. The social problems concerning business in the developing countries are several in number, particularly overcoming mass poverty. Business has a vested interest in overcoming poverty which limits the size of the market and consequently

of business expansion. But the dimensions of poverty are so gigantic that business can at best make a dent here or there. Even then business in India has often accepted social responsibilities vis-a-vis the public at large, which, in a more industrialized country, are presently the responsibility of government: drinking water provision, medicare, education etc.,"27

Hari Shankar Singhania, Chairman, J.K. Industries Ltd., pointing out the need for businessmen becoming the leaders in the establishment of a socialistic society observed: "The social responsibilities of business are in fact an integral part of even its commercial operation. Businessmen, being leading, eminent and senior citizens who are also materially better placed are expected to be the pace setters. They provide the dynamism which can transform the country economically and socially. They have a role which is more than that of a manager or a salesman."28

R.A. Podar, Chairman of The Podar Mills Ltd., views social responsibility as a natural responsibility of business. He stated: "I feel, the business community by and large, has been, through the decades, discharging its

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28 Ibid.
responsibility to the society in numerous forms. It is true that, in the changing circumstances, more and more is expected from the business community in the discharge of social responsibilities. It is also true, some business might have not responded or not carried out, such social services to the extent expected of them consonant to the size of their business or fortune. But the social responsibility of businessmen is a matter that needs no school or institute to impart*. 29

J.R.D. Tata, Chairman of TISCO Ltd., who is regarded as the most eminent among the contemporary industrialists has several times deplored the misdeeds of businessmen and advocated the whole hearted acceptance and implementation of social responsibilities. He remarked: "I have, for years, publicly deplored and condemned the depredations and misdeeds of the few, including some leading large enterprises, who in their pursuit of wealth and self aggrandisement, through tax evasion, black marketing, kickbacks to management, illegal foreign exchange transactions, corruption and political intrigue, have done immense harm to the whole of the business and industrial community.

29 Ibid., p.4.
It is depressing to find that little progress for the better has been achieved in recent years. My remarks up to now have been concerned mainly with the integrity of corporate management. In a poor country like ours, however, in which so many of the people are economically deprived and oppressed the social obligations of organised business and industry as I conceive them must go beyond the accepted duties of making a good product, selling it at a fair price, paying fair wages, providing good working conditions to labour and paying taxes in full. I have, therefore, long believed that those in Indian business and industry who have adequate means and resources should consider it a part of their social obligations to contribute in some suitable form to the progress and welfare of the community in which their enterprise is located. In particular, large companies established in rural areas should, I feel, extend their support activities not only to the families of their employees and the people living in their town or immediate vicinity, but also to those of surrounding villages.  

Dr. Bharat Ram, Chairman and Managing Director of Delhi Cloth Mills Ltd., in his Presidential Address  

30 Ibid.
delivered at the World Management Congress of the 18 CIOs at New Delhi in 1978, drew the attention of the gathering to the fact that concepts like 'economic growth' or 'human welfare' can be understood only in the context of the fundamental requirements of human life. If these are not met, then no amount of economic growth is of any real use. A better quality of life is not always the same thing as more economic progress. Managers in industry and in Government are enjoying a privileged position and it is their bounden duty to improve the quality of life of the masses around.

Managerial Attitudes: Public Criticism and Expectations:

The efforts of the various leaders and institutions have profound effect on the attitudes of the Indian managers. Thanks are also due to American managers and management writers, whose operational styles and views have significant impact on Indian management. Today, by and large, many managers are favourably disposed to see eye to eye with the people in the society, appreciate their viewpoint, display deep concern and initiate concrete programmes to remedy social evils. This is evident from the responses to questions asked about the status and expected role of industry.
To know whether managers agree with the generally expressed opinion of the academicians, journalists and politicians that industry has a place of great significance and crucial role in moulding our society, the following question is asked: Do you subscribe to the viewpoint that industry has a dominant role in shaping our society into a Socialistic society?

Table VIII.1

<table>
<thead>
<tr>
<th>Role of Industry in Society</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management (N = 216)</td>
<td>160 (74.07)</td>
<td>56 (25.93)</td>
</tr>
<tr>
<td>Middle Management (N = 313)</td>
<td>272 (86.9)</td>
<td>41 (13.1)</td>
</tr>
</tbody>
</table>

* Figures in brackets indicate Percentages.

A good majority of managers both from top and middle level groups have expressed agreement with the view.

Chart VIII.1 which records the reactions of respondents to the various Criticisms of public against large sized enterprises finds top and middle management assenting with
To obtain the Agreement/Importance graph the mean score values of the responses of the management groups are plotted on the horizontal bars and joined. Every horizontal bar has 5, 4, 3, 2 and 1 values which indicate, as in the case of rating scale adopted in the questionnaire, the following: 5 - Strongly Agree/Very Much Important, 4 - Agree/Important, 3 - Uncertain, 2 - Disagree/Unimportant, 1 - Strongly Disagree/Very Much Unimportant.
Overproduce and prematurely exhaust natural resources, robbing future generations

Frustrate and pervert good urban and regional planning

Impair the sense of community and the quality of life in society

Make decisions that are scientific and rationalistic rather than humanistic

Offer little psychological satisfaction to workers

Have replaced corporate democracy with oligarchy

Strive to maximise managerial interest, in power, security and prestige rather than profitability

Impede the entry of new firms and stifle the growth of small enterprises

Conspire to raise price and to suppress improved products

Being in sellers market they do very little to promote the interest of consumers

Distort the socio-cultural values of the host country and generate ill-will abroad
8 out of the 17 views. This indicates that the skepticism toward the present way of functioning of these enterprises is also shared by the managers in both the groups. From Table VIII.2, it can be observed that the business is discredited by both the groups on different counts.

**Table VIII.2**

Criticisms Accepted by Top and Middle Management

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Critical Statement</th>
<th>Mean Values (Top N = 216)</th>
<th>Mean Values (Middle N = 313)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Dominate and control the national economy in self interest.</td>
<td>3.22</td>
<td>3.32</td>
</tr>
<tr>
<td>2.</td>
<td>Buy support from political parties by making campaign contributions.</td>
<td>3.78</td>
<td>3.61</td>
</tr>
<tr>
<td>3.</td>
<td>Subvert and corrupt democratic government to serve their own interests.</td>
<td>3.20</td>
<td>3.04</td>
</tr>
<tr>
<td>4.</td>
<td>Seek only to maximise profit, with no regard to long run or side effects.</td>
<td>3.52</td>
<td>3.27</td>
</tr>
<tr>
<td>5.</td>
<td>Thrust heavy external cost on the public in pollution, noise and ugliness.</td>
<td>3.85</td>
<td>3.51</td>
</tr>
<tr>
<td>6.</td>
<td>Make decisions that are scientific and rationalistic rather than humanistic.</td>
<td>3.66</td>
<td>3.47</td>
</tr>
<tr>
<td>7.</td>
<td>Offer little psychological satisfaction to workers.</td>
<td>3.14</td>
<td>3.06</td>
</tr>
<tr>
<td>8.</td>
<td>Being in seller's market they do very little to promote the interests of consumers.</td>
<td>3.50</td>
<td>3.36</td>
</tr>
</tbody>
</table>
However, top management have not given weight to the expression of censure that 'corporate enterprises are heavily subsidised by Government franchise, licenses, loans and contracts', to which middle management have given modest approval, whereas middle management have ignored the critical remark, that has found strong favour with top management viz., frustrate and pervert good urban and regional planning. The following reproofs have not got the approbation of both the groups.

Table VIII.3
Criticisms Refuted by Top and Middle Management

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Critical Statements</th>
<th>Top (N = 216)</th>
<th>Middle (N = 313)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Overproduce and prematurely exhaust natural resources, robbing future generations.</td>
<td>2.57</td>
<td>2.55</td>
</tr>
<tr>
<td>2.</td>
<td>Impair the sense of community and the quality of life in society.</td>
<td>2.44</td>
<td>2.49</td>
</tr>
<tr>
<td>3.</td>
<td>Have replaced corporate democracy with oligarchy.</td>
<td>2.86</td>
<td>2.84</td>
</tr>
<tr>
<td>4.</td>
<td>Strive to maximise managerial interests, in power security and prestige, rather than profitability.</td>
<td>2.80</td>
<td>2.66</td>
</tr>
<tr>
<td>5.</td>
<td>Impede the entry of new firms and stifle the growth of small enterprises.</td>
<td>2.94</td>
<td>2.71</td>
</tr>
<tr>
<td>6.</td>
<td>Conspire to raise prices and to suppress improved products.</td>
<td>2.93</td>
<td>3.00</td>
</tr>
<tr>
<td>7.</td>
<td>Distort the socio-cultural values of the host country and generate ill will abroad.</td>
<td>2.81</td>
<td>2.38</td>
</tr>
</tbody>
</table>
To find out whether managers are taking cognisance of the rising expectations of the public, managers are asked: "Do you think the public demand for socially responsible behaviour by industry is on the increase?".

Table VIII.4 points out that an overwhelming majority in both the management groups is conscious of the mounting expectation about a leading social role of business.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management (N = 216)</td>
<td>188 (87.2)</td>
<td>28 (12.8)</td>
</tr>
<tr>
<td>Middle Management (N = 313)</td>
<td>292 (92.3)</td>
<td>21 (6.7)</td>
</tr>
</tbody>
</table>

* Figures in brackets indicate percentages.

The top and middle managers consider the widespread belief among public that "industry is the next dominant institution after the government with talents and resources to promote economic development" and also "the success of industry in providing economic goods and services to the society" as the two important factors responsible for the growth in the public expectations. Chart VIII.2 depicts the respondents' view points.
CHART - VIII.2

FACTORS RESPONSIBLE FOR GROWING PUBLIC EXPECTATIONS

If yes, what factors are responsible for the growing expectations for socially responsible behavior of the industry?

Top Management
Middle Management

Affluence of enterprise managers and the widening gap between the standards of living between men in industrial sector and other sectors

Exploitation of society's resources without providing for adequate compensation to restore balance

Industry is the next dominant institution after the Government with talents and resources to promote economic development

Success of Industry in providing economic goods and services to the society

Failure of Government in fulfilling the promises for creating egalitarian society

Acceptance of social responsibility by some leading firms and their meaningful contribution in improving the conditions of poor
The response of both groups to the negative factor - 'Exploitation of society's resources without providing for adequate compensation to restore balance' is significant in the light of their acceptance of several criticisms on large enterprises. The top management have disregarded it while the middle management have given a very weak approbation. Top management have taken comparatively a conservative line than middle management in stating the failure of the government in fulfilling the promises for creating an egalitarian society. However, they have readily acceded to the view - 'Affluence of enterprise managers and the widening gap between the standards of living between men in industrial sector and other sectors' as an important factor for public expectations of social responsibility. The responses of management are justifiable for, as captains of industry, they are required to maintain a low key in expressing their views against government. And as men of high rank and status naturally they are more conscious of the yawning gap between the standards of living of people in different sectors.

The third positive factor that is of value to both the groups is the 'acceptance of social responsibility by some leading firms and their meaningful contribution in improving the condition of the poor.'
In the light of the several serious criticisms that are constantly eroding the image of business, and the ever growing public expectations that are placing increasing demands on the role of business in society, the management groups strongly opined that it is necessary for the contemporary managers in industry to be more concerned about social responsibility than ever before. The responses to the question: "Do you think it necessary for contemporary managers in Indian industry to be more concerned about social responsibility?" establishes this viewpoint. Table VIII.5 records the results.

Table VIII.5

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management (N = 216)</td>
<td>196 (90.8)</td>
<td>20 (9.2)</td>
</tr>
<tr>
<td>Middle Management (N = 313)</td>
<td>274 (87.8)</td>
<td>39 (12.2)</td>
</tr>
</tbody>
</table>

* Figures in brackets indicate percentages.

From an examination of the evaluation of various arguments listed in favour of business accepting social responsibility by the managers (Chart VII.3), it is obvious that Indian managers are anxious about refurbishing the image of industry which is being tarnished by the misdeeds of self interested businessmen and self glorifying politicians.
How important in your opinion are the following arguments in favour of social responsibility?

Top Management
Middle Management

It is in the long-run self interest of the company to get directly involved in social issues

Social action programmes create a favourable public image

Social action programmes will help preserve Industry as a viable institution in society

Social action programmes help avoid more governmental regulation

Social expectations are high and if ignored will result in creation of public hostility towards industry

Solving social problems will help industry to acquire more power in society

Industry has necessary resources and talent to engage in social action programmes

Involvement in social action programmes is a moral responsibility of industry

Involvement in social action programmes is merely respecting the fundamental doctrine of Democratic Socialistic Society
who use it as a scapegoat for their failure in fulfilling the promises made to the electorate. This is ascertained by the highest order of preference given by them to the argument: 'Social action programmes create a favourable public image'. Closely following it are those related to long range economic operation and survival of industry and company. It can be interpreted that managers believe in the idea, 'what is good to society is good to industry and also to the company in the long run'. The findings are at slight variance with the stated hypothesis which reads, 'It is in the long run self interest of the company to get involved in social issues'.

It is noteworthy that the respondent managers have attached little significance to the generally expressed view of academicians, in particular, that business undertakes social action programmes to avoid government regulations. Many in the large enterprises quite often complain that government attitude towards big business is uncooperative and inconsiderate. They say that the threat of government regulation or nationalisation is like a Damocles's sword over the neck of private industry. The public enterprise managers are equally unhappy for, their freedom is curtailed by the continuous interference of political bosses. The observation of J.R.D.Tata underscores this viewpoint. 'Most of the larger companies in the country operate under
such strict price and other controls exercised by the Government and are subjected to such continual public scrutiny of their activities that the scope for most of them to stray from the straight and narrow path of honest management is relatively small. The finding of the study as such corroborates the general opinion of the managers in both the public and private sectors that excessive governmental interference is a way of life in India and no amount of voluntary effort will minimise it.

It would appear from the Chart VIII. that the two arguments against social responsibility that have greatest appeal to both the groups are related to the economic character of business. The high order of significance given to the first statement - 'Society expects business to maximise efficiency, production and profits', is in consonance with the conservative opinion of industrial leaders on social responsibility of business, focussed in The Economic Times, and the Industrial Times interview with executives on Rural Development. All the top executives, who expressed their views, projected a picture of general consensus that corporate social responsibility is here to stay. But, they emphasised economic success as the essential prerequisite.

To obtain the Agreement/Importance graph the mean score values of the responses of the management groups are plotted on the horizontal bars and joined. Every horizontal bar has 5, 4, 3, 2 and 1 values which indicate, as in the case of rating scales adopted in the questionnaire, the following:

- 5: Strongly Agree/Very Much Important
- 4: Agree/Important
- 3: Uncertain
- 2: Disagree/Unimportant
- 1: Strongly Disagree/Very Much Unimportant

ARGUMENTS AGAINST SOCIAL RESPONSIBILITY

How important in your opinion are the following arguments against social responsibility?

Top Management

Middle Management

Society expects business to maximise efficiency, production and profits. The involvement in social action programmes will drive marginal firms out of business.

Getting involved in solving social problems merely dilutes the primary strength and purpose of industry.

Company executives lack the perceptions, skill and patience necessary to solve societal problems.

Contd...
Industry has now more power without usurping social responsibility.

Company executives are not accountable to the electorate as politicians are, and therefore they need not start trying transforming the society.

Since there is considerable disagreement among the public as to what should be done, companies will be criticised no matter what is attempted.

Government by its directives and incentives is indicating the areas of social action for the industry and there is no need for industry to take extra initiative.

Involvement in social action programmes without sufficient success in the economic front will tarnish the image of industry.
for discharging them. Sharayu Daftary suggested to 'Maximise efficiency', K.N.Modi stressed the 'Need for profit above all' Harish Mahindra highlighted the importance of 'Earning one's Keep' and Lalchand Hirachand emphatically stated that there is 'No place for charity'. As such it may be inferred that the argument draws its strength from both the opponents to social responsibility and also conservative social activists.

Further, the managers find a strong direct relationship between fair economic success and good public image, which is justifiable in a country making strenuous efforts to solve basic problems like hunger, disease, poverty, inflation and unemployment. This is indicated by their assignment of second place to the argument, 'Involvement in social programmes without sufficient success in the economic front will tarnish the image of industry'.

The third argument against social responsibility advanced by both the groups, by passing the buck to the people, tries to find justification for the noninvolvement of business in social action programmes. However, a hasty conclusion cannot be drawn in the light of the socioeconomic crisis in the country. It may be recalled here, the principal object with which business is willing to undertake social responsibility is for 'improving the image of business'. But there is a strong belief among businessmen that business has become more vulnerable to public criticism, and they have
become desperate about the prospects of improving the business image through involvement in social action programmes. With criticism becoming the stock of trade for politicians, academicians and journalists, they opine that no activity will be spared from their adverse remarks. This line of thought can be substantiated by the following observations of two top Indian executives. K.N. Modi stated: "By and large the public believes that businessmen are influenced only by the most sordid of motives i.e., making a profit for themselves at the expense of the consumer and exchequer. The powerful and popular media like the movies in our country, for instance, portray a poor image of businessmen. Politicians everywhere are only too eager to run down business. Success in business as much as failure is frowned upon". Another industrialist S.V. Dempo made no attempt to conceal his irritation at the arbitrary judgment of performance of businessmen when he said: "What irks me most is that time and again the business community is singled out and a sort of concerted effort is made to impose a kind of guilt on them that their whole and sole intention is to make money and nothing more". He further added to point out one significant failure of businessmen. "Probably

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the only mistake the business community has committed in this area is that it has not blown its trumpet in a proper manner by compiling the various contributions it has made so that the public at large can get a comprehensive glimpse of its outlook on the area of social responsibility. 33

From the above analysis it can be concluded that the opposition to social responsibility is not solely made up by traditionalists whose doctrine is 'Business of business is business' but also by social activists who with their enthusiasm dampened and sentiments hurt assert: 'Good intentions cannot take the place of surplus in this country'. If it were the case, it can be presumed that the force of opposition will be weakened in due course with economic development taking new strides and awareness of public about social contribution of business to society reaching the zenith.

CONCLUSION

The Social responsibility of business, though it is an age old percept and practice in India, was relegated to a backward position by the severe restrictions and limitations imposed by British on business and industry.

33 Ibid., p.4.
When India became independent, the concept staged a revival. The Government of India through its commitment to socialism promoted public sector enterprises to present a strong case for socialisation of industry. The private sector giants, the voluntary business associations, and academic bodies, in response to the clarion call of Government for reconstructing the society on socialistic lines have started attempting to promote social consciousness among managers. Consequently, the social responsibilities of business have been increasingly in the public eye and discussed in recent years.

Today, both the top and middle level management groups are socially conscious and responsive. They are aware of the criticisms against business and the inherent truth in some of them and are willing to usurp social responsibilities. An unusually high extent of consensus is found existing among managers both within the two groups analysed and between the two groups analysed. This presages an active involvement of several enterprises in solving the various socioeconomic problems throttling the nation, with a strong faith in democratic values and firm belief that, 'what is good to society is good to industry and to the company'.