The principal purpose of this chapter is to elucidate the significance of managerial values in the context of the organisational behaviour and report on the empirical investigation of the attitude patterns of top and middle managers with reference to social policy formulation and implementation.

Significance of Managerial value systems:

The social conflict between corporations and segments of society revolves around the society's changed expectations of business in general and large corporations in particular, on the one hand, and business's willingness and ability to modify its behaviour to meet these expectations, on the other. Corporate policies and practices, more often that not, reflect the values and attitudes on management group, in particular, the top level management. As Votaw and Sethi have argued, 'Corporations have personalities which reflect the conscious and unconscious values of the corporate hierarchy'. Walton has suggested that,


"When a business organisation 'buys' a man's talents, it also purchases in a real sense the individual's values which shape the direction through which these talents are expressed." 

Managers, when they make decisions, view the policies and practices through the prism of their personal values. Thus, a manager with what might be termed broad or liberal attitudes with respect to business and social issues might well be expected to encourage corporate responsiveness. By contrast, executives with a narrower view of the role of business shaped by a more conservative set of attitudes are likely to resist pressures on their company to be more responsive to changing social expectations.

Evaluation of Attitudes:

With the evidence obtained regarding the favourable attitude of top and middle managers, towards discharge of social responsibilities, the various problems that confront managers in making and executing the social policies merit attention. These problems related to deciding of priority


areas of social effort, envisaging the dimension of difficulties in implementation. The surveyed perceptions of the top and middle managers with reference to these problems are outlined here.

**Priority Areas:**

With regard to the priority areas of social responsibility, there is a strong rank correlation between the top and middle management groups as presented in Table IX.1. Both groups have perceived the social areas - Job creation, Internal employee service programmes, Society relief and reconstruction and Support to small and minority enterprises as the first four social areas of effort respectively.

**Table IX.1**

**Social Responsibility Areas**

**Order of Priority as Perceived by Managers**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Social Areas</th>
<th>Top (N = 210)</th>
<th>Middle (N = 283)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean Score</td>
<td>Rank</td>
<td>Mean Score</td>
</tr>
<tr>
<td>1.</td>
<td>Job Creation</td>
<td>14.21</td>
<td>I</td>
</tr>
<tr>
<td>2.</td>
<td>Internal employee service programmes</td>
<td>12.63</td>
<td>II</td>
</tr>
<tr>
<td>3.</td>
<td>Society relief and reconstruction</td>
<td>10.93</td>
<td>III</td>
</tr>
<tr>
<td>4.</td>
<td>Support to Small and Minority Enterprises</td>
<td>10.65</td>
<td>IV</td>
</tr>
<tr>
<td>5.</td>
<td>Resource Conservation Measures</td>
<td>10.15</td>
<td>V</td>
</tr>
<tr>
<td>6.</td>
<td>Encouraging Consumerism</td>
<td>9.96</td>
<td>VI</td>
</tr>
<tr>
<td>7.</td>
<td>Society Improvement Programmes</td>
<td>9.47</td>
<td>VII</td>
</tr>
<tr>
<td>8.</td>
<td>Pollution Abatement</td>
<td>9.27</td>
<td>VIII</td>
</tr>
<tr>
<td>9.</td>
<td>Rural Development</td>
<td>8.43</td>
<td>IX</td>
</tr>
<tr>
<td>10.</td>
<td>Foreign Investments</td>
<td>4.31</td>
<td>X</td>
</tr>
</tbody>
</table>

* Areas receiving different priorities.
The choices of managers seem appropriate in the emergent socio-economic context in the country. Unemployment is regarded as the most important problem for, its consequences are very severe. The mounting student unrest, the deteriorating faith in the political democracy among masses, the anti-reservation movement in some parts of the country and increasing crime rate pose a serious threat to the social order of the nation which is the prime basis for economic order and progress. As such the need for channelising the energies of masses into productive areas and restore peaceful coexistence with fair opportunities for making a decent living need not be over emphasised.

The general saying 'set your house in order before you try to set others' seems to have much influence on the managers, as they have preferred Internal employee service to Society relief and reconstruction. The low rank given to Society improvement programmes and Rural development by both the groups confirm this and suggests that massive involvement in the reconstruction of society is not yet warranted in our country. It is only in the hour of crisis that enterprises should come forward to restore order, happiness and living to people. The first duty is to employee; society is only the next.
The next priority has gone naturally to the Small enterprises. With adequate industrial base built, it is, political pundits and economic experts consider, right time for building a network of small enterprises to solve unemployment problem and accelerate economic growth. The line of thinking of managers is in accordance with the popular sentiments.

The next four areas, among the ten areas listed, apparently have received different priorities. The difference may be due to the ongoing debates on these issues in the press, academic circles, and executive forums. The Research and conservation merited the attention of top management while middle management sought to improve the lot of the consumer. As policy makers, top managers are concerned more about the replenishment of resources to avoid the deepening shortage crisis. Though much is said about the consumer and protection of his interests, only in big cities like Bombay, Calcutta, Delhi and Madras that consumer Associations have come into operation. The average Indian consumer is irate and complaining in his speech but dormant and passive in action. Further the Government has taken some measures to protect the consumer interests. This must be the reason for the top management giving lower priority to it than middle management who relatively more sympathetic towards him.
Surprisingly top management as well as middle management have not shown the expected concern to pollution abatement though legislative measures in this direction are initiated. However, it leads to the conclusion that Indian managers have chosen those areas, which are more voluntary in nature and are not likely to be brought under the umbrella of legislation in the near future.

The consensus found in the rejection of foreign investments as an area of social concern is understandable. In a developing country like India, the debate on foreign investments will be less interesting, as it has several internal economic problems to solve and social tangles to resolve.

Areas in order of difficulty:

Are the areas receiving greatest priority also those causing managers greatest implementation difficulty? The answer is an emphatic 'No'. The first four areas of effort are seen as the least difficult areas. Both groups regarded internal employee service the easiest to implement. Next comes giving support to Small and minority enterprises. In the case of job creation and society relief and reconstruction, there is difference in ranking but not in the order between them. Job creation is viewed as more difficult one than society relief and reconstruction as is indicated by Table IX.2.
### Table IX.2

**Social Areas—Perceived Difficulty in Implementation**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Social Areas</th>
<th>Top Managers (N = 206)</th>
<th>Middle Managers (N = 270)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean Score</td>
<td>Rank</td>
</tr>
<tr>
<td>1.</td>
<td>Job Creation</td>
<td>9.88</td>
<td>VI</td>
</tr>
<tr>
<td>2.</td>
<td>Internal Employee Service</td>
<td>6.24</td>
<td>X</td>
</tr>
<tr>
<td>3.</td>
<td>Society Relief and Reconstruction</td>
<td>9.51</td>
<td>VII</td>
</tr>
<tr>
<td>4.</td>
<td>Support to Small and Minority Enterprises</td>
<td>9.12</td>
<td>IX</td>
</tr>
<tr>
<td>5.</td>
<td>Resource Conservation Measures</td>
<td>12.01</td>
<td>I</td>
</tr>
<tr>
<td>7.</td>
<td>Society Improvement Programmes</td>
<td>11.18</td>
<td>III</td>
</tr>
<tr>
<td>8.</td>
<td>Pollution Abatement</td>
<td>10.22</td>
<td>V</td>
</tr>
<tr>
<td>9.</td>
<td>Rural Development</td>
<td>11.87</td>
<td>II</td>
</tr>
<tr>
<td>10.</td>
<td>Foreign Investments</td>
<td>10.81</td>
<td>IV</td>
</tr>
</tbody>
</table>

* Areas receiving same priorities.

When the second order priority areas are considered, the disagreement with respect to the degree of difficulty perceived is more pronounced. Top management has looked at Resource conservation as the area of greatest difficulty.
while middle management has recognised Rural development as the most difficult one. Since top management has given rural development second place in order of greatest difficulty, the difference need not be considered much significant. However, in the case of Resource conservation measures, middle management has a feeling that it is a less difficult area than Foreign investments, Pollution abatement, and Society improvement. Encouraging consumerism is supposed by top management as an easy task while middle management has seen severe obstacles in its execution.

Thus a difference in the ordering of areas of priority versus ordering of areas by difficulty perceived is visible. Also visible are the differences in the rank ordering of areas by difficulty between top and middle management groups. An important revelation is, the choice of priority areas is not based on the facility in implementation but on the consideration of current socioeconomic problems and public expectations.

Attitudes towards specific areas:

Through a series of questions composed to assess managerial attitudes towards specific areas of corporate social responsibility, it is found that top and middle management perceptions do not vary much significantly (Chart IX.1). Some of the emergent view points from the
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.

1. SOCIETY RELIEF AND RECONSTRUCTION
   a) Contributing to the society relief and rehabilitation is a moral obligation of everyone in the society
   b) Donations are justified as long as they don't strain enterprise working
   c) Even those firms incurring losses should take part in the relief operation
   d) Direct participation in rehabilitation is not necessary; support to service organisations will do
2. INTERNAL EMPLOYEE SERVICE PROGRAMMES

a) Propagation of ideas like prohibition and family planning may invite wrath from some sections of employees.

b) Since the government is actively campaigning as well as providing incentives, company's initiative is unnecessary.

c) Companies should go far beyond the letter of law in providing safety working conditions for the employees.

d) Elaborate safety measures, even if made, cannot reduce accidents since many workers tend to be less responsive.

e) Companies have to extend support to the growth of healthy trade unionism.
3. JOB CREATION

a) Companies should hire senior unemployed persons and disadvantaged, even if it means loss of an opportunity to employ readily available skilled personnel

b) Although the law guarantees equal employment opportunities to women most companies do little to see it happen at middle and senior levels in the organisation.

c) Companies can assist self-employment agencies by providing training to the enthusiastic entrepreneurs.
4. ENCOURAGING CONSUMERISM

a) Enterprises have to foster and promote consumer councils

b) It is the responsibility of Government to specify areas wherein consumer protection is necessary

c) It is people who should form into consumer associations and bring to the notice of manufacturers the adverse effects of company policies and products

d) The existing framework of legislation and institutional network (ISI etc.) is adequately protecting consumers; nothing further is needed in this direction

Contd...
5. SUPPORT OF SMALL AND MINORITY ENTERPRISES

a) Encouraging small and minority enterprises through placement of purchase orders is an obligation of companies

b) Companies need not purchase from small and minority enterprises if economic considerations do not allow it

c) Government should take responsibility for protecting minority and small enterprises by providing subsidies and other incentives

d) Support through provision of technological and marketing know-how is the responsibility of the companies

contd...
6. POLLUTION ABATEMENT

a) Pollution is not still a major social problem in our country.

b) Government should pass legislation to make clear the extent of Industry's responsibility for reducing pollution.

c) There should be heavy taxes on industrial activities and products that pollute the environment.

d) Companies have an obligation to society to adopt effective anti-pollution equipment even when not legally required to do so.

7. NATURAL RESOURCE CONSERVATION

a) Companies have to preserve and utilise natural resources with restraint and reasonableness, for the benefit of future generations.

b) Conservation measures by industry have so far been half-hearted response to the energy crisis.
8. SOCIETY IMPROVEMENT PROGRAMME

a) Few companies in India have realised the need for taking up society improvement programmes

b) Companies which have not made adequate profits need not feel the obligation for undertaking society improvement programmes

c) Companies have to provide financial support to various institutions in society that promote health, education, sports, culture, religion, arts, etc.

d) Companies have to join other organisations and play effective role in promoting the various institutions in the society.
9. **RURAL DEVELOPMENT**

a) Industry is primarily responsible for the rapid urbanisation that has created a severe imbalance between rural and urban areas.

b) Prosperous industrial sector cannot continue to grow and remain prosperous while vast rural areas remain backward. Industry has, therefore, to correct the imbalance.

c) Rural upliftment by industry is more a rhetoric than a practice.

d) Involvement by companies in many cases is confined to nearby areas and such programmes which benefit ultimately the companies.

e) Until Government creates the necessary infrastructure for the villages, companies cannot play a significant role in rural development.

f) From industry point of view rural development is not constructing roads and buildings, provision of drinking water facilities etc., but generation of employment through establishment of small viable economic units.

g) Industry is more capable than government by its technology and management know-how in promoting rural development. As such major companies have to adopt villages to provide all-round improvement.

h) Rural development at present is unprofitable. If companies divert most of their profits to it, they will go bankrupt.
10. **FOREIGN INVESTMENTS**

a) Major companies have to establish companies in less developed countries with a view to help accelerate their economic development.

b) Major companies have to supply only technological managerial know-how to less developed countries as financial resources are scarce in our country.

c) Companies which have set up organisations or made investment in foreign countries have to pay proper regard to the interest, values, beliefs and faiths of the people in the host country.
study are:

1. Contributing to the Society relief and rehabilitation is a moral obligation of everyone in the society. Enterprises need not participate directly in the rehabilitation. Support to Service organisations will do. Donations are justified only when they do not strain the working of the enterprise.

2. Companies should go far beyond the letter of law in providing safety working conditions for the employees. Also, companies have to extend support to the growth of healthy trade unionism.

3. In the area of Job creation, companies can assist self-employment agencies by providing training to the enthusiastic entrepreneurs. It is true that enterprises are not, at present, providing adequate opportunities to women at middle and senior level positions though the law guarantees equal employment opportunities. Companies should not hire unemployed or disadvantaged at the cost of the efficiency of enterprise.

4. The existing framework of legislation and institutional network is not adequate. People should form into consumer associations and bring to the notice of
manufacturers the adverse effects of company policies and products. On their part, companies have to play a good role in fostering and promoting consumer councils.

5. Government should take responsibility for promoting and protecting small enterprises by providing subsidies and incentives. Support through provision of technological and marketing know-how is the responsibility of the companies.

6. Companies certainly have an obligation to society to adopt effective anti-pollution measures even when not legally required to do so. But Government should pass legislation to make clear the extent of industry's responsibility for reducing pollution.

7. Companies have to preserve and utilise natural resources with restraint and reasonableness for the benefit of future generation. Conservation measures so far have been half hearted responses to the shortage crisis.

8. Few companies in India have realised the need for taking up society improvement programmes. Companies have to provide financial support and also join other organisations for playing an effective role in promoting health, education, sports, culture, religion,
arts, etc., in the society.

9. Industry is primarily responsible for the rapid urbanisation that has created a severe imbalance between rural and urban areas. Prosperous industrial sector cannot continue to grow and remain prosperous while vast rural areas remain backward. Therefore, industry has to correct the imbalance. But rural development is not profitable to companies at present as Government has not created the necessary infrastructural facilities. As such rural development, in many a case, is confined to nearby areas which benefit directly the company. From industry point of view, rural development is not providing infrastructure but facilitating generation of employment opportunities.

10. Major companies have to establish enterprises in less developed countries with a view to help accelerate their economic development. They have to pay proper regard to the interests, values, beliefs and faiths of the people in the host country.

Obstacles to Implementation:

Despite the positive inclinations of executives to formulate and implement social strategies for the benefit of
the various constituent groups of organisation, some practical difficulties may come up from internal and external environments and hinder the process.

To identify the outside obstacles to implementation, a list of obstacles created by Government, political parties, trade union and other organisations is supplied for evaluation by the top and middle managements. Chart IX.2 portrays their viewpoints. The reactions of top and middle managements indicate that they regard all of them important. However, both the groups have recorded that Government and the political parties are chiefly responsible for the lack of enthusiasm on the part of large enterprises for getting involved in social action programmes. Though lack of cooperation from other organisations and conflicts with trade unions are identified as difficulties, they are considered less significant than others. The political parties are blamed for creating social disorder and tensions by their frequent organisation of agitations, which give scope to violence and disruption of normal social life.

Corruption in the administrative machinery, a social malaise causing anxiety to many and about which every government has spoken and promised to eradicate is identified as the most important hurdle. Among the other major hurdles pointed out, by both the groups, those created by government
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- Unertain, 2- Disagree/Unimportant, 1- Strongly Disagree/Very Much Unimportant.

CHART - IX.2

OUTSIDE OBSTACLES PERCEIVED BY MANAGERS

What outside hurdles do you find, in general, for industry in actively involving in the social action programmes?

Top Management
Middle Management

Ideological and methodological conflicts between the Industry and Trade Unions

The deliberate creation of hostile anti-business climate by organised political groups with selfish interest

Unrealistic planning causing disharmony between public and private sectors

Promulgation of unwieldly controls and unworkable laws

Contd..
Prohibitive and frequently changing taxation policies.

Corruption in the administrative machinery of Government

Instability and frequent changes in trade policies, licensing policies, export and import policies

Violent and disruptive activities of political parties and the high frequency of agitations

Lack of cooperation from the organisation concerned with the social area of effort

Inadequacy of subsidies and incentives offered by government
are: 'Instability and frequent changes in trade policies, licensing policies, export and import policies; Prohibitive and frequently changing taxation policies and Unrealistic planning causing disharmony between public and private sectors'. Echoing the sentiments and strong feelings of business community on these aspects, J.R.D.Tata writes:

If bribery and corruption have spread throughout the land and have become virtually a way of life in our country, our system of economic administration with its emphasis on controls and our system of taxation must take a fair share of the blame for this. Every point of control has become a point of corruption, giving all parties concerned a vested interest in controls. Every increase in the rates of taxation multiplies by several times the rewards for tax evasion. Social morality cannot long function in an atmosphere where the economic system is at odds with human nature. The business community is usually held responsible for bribery and corruption, but who takes the bribe and who fails to punish the corruptor and tax evader? The time has surely come when the Government must face this ugly situation and introduce the necessary legislative, fiscal and administrative reforms. Only then can we hope for a society in which all economic groups play a socially conscious role and contribute to national development and the elimination of the poverty and miserable life to which the bulk of our
people are subjected".  

In the light of the fact that managers have found fault with the Government on different counts, the weak reaction of both the groups observed in the case of the statement - 'Inadequacy of subsidies and incentives offered by Government' suggests that managers strongly believe in voluntary response to social demands and do not require incentives and subsidies to induce them for accepting and discharging social responsibilities.

The attitudes of managers towards various internal obstacles are displayed in Chart IX.3. It can be observed that the consistency in their thinking about the compatibility of social responsibility with profit performance is once again confirmed by the negative reaction of both management groups to the statement, 'Social programmes adversely affect the profit performance'.

Among the internal obstacles to implementation, the fear of being forced to reduce the diverse social programmes undertaken, in times of adversity seems to have taken possession of top and middle managers. The fear finds its justification in the earlier arguments advanced by them against the policies of government and activities of politicians.

-------------------
Most managers are simply too busy to worry about social objectives.

Social programmes adversely affect the profit performance.

Social action programmes are problematic because the cost can be measured but benefits cannot be accurately known.

Designing social action programmes is difficult as perceptions on priorities varies from manager to manager and also among public.

Social action programmes will not be interesting to the managers unless there exists reward-penalty system in relation to it.

In times of adversity, companies are compelled to cut back on social action policies.

Top management attitude may not be encouraging when they adopt an adhoc approach rather than permanent approach.

The response from the beneficiaries may be poor and discouraging.

CHART - IX.3
INSIDE OBSTACLES PERCEIVED BY MANAGERS

What inside obstacles do you find, in general, for a company in actively involving in social action programmes?

Top Management

Middle Management

Most managers are simply too busy to worry about social objectives.

Social programmes adversely affect the profit performance.

Social action programmes are problematic because the cost can be measured but benefits cannot be accurately known.

Designing social action programmes is difficult as perceptions on priorities vary from manager to manager and also among public.

Social action programmes will not be interesting to the managers unless there exists reward-penalty system in relation to it.

In times of adversity, companies are compelled to cut back on social action policies.

Top management attitude may not be encouraging when they adopt an adhoc approach rather than permanent approach.

The response from the beneficiaries may be poor and discouraging.
The next important hurdle cited by them is the very busy schedule of work they have to cope with. This cannot be interpreted as an alibi to shy away from the social responsibilities. Time and again, executives in India complain that within the existing framework of legislation and procedural network, business cannot be anything other than cumbersome. For instance, S.V. Dempo, a noted industrialist remarks: "If businessmen do not have to waste as much time, money and energy as they have to presently comply with rules, regulations and procedures, I am sure they would be spared some time to devote to areas like social responsibility. If this is made possible, I am sure business can play a very dynamic role in personally involving themselves in one sphere or other of some welfare activities which would not only benefit the recipients but also be a source of great joy to businessmen who presently hardly get any pleasure by dolling away money".

When top management adopts an adhoc approach, their attitude becomes an important hurdle. This is accepted by both the groups and in particular, more sincerely by top management. Their preference to permanent approach can be

found from their suggestion to set up a permanent committee or permanent department rather than resorting to other arrangements like appointments of individual executives or temporary task force of executives as can be observed from Table IX.3.

The next important hurdle identified by them is the difficulty in the design of social action programmes due to the perceptual differences among the managers and public in respect of the priorities to be assigned to different social areas of effort. The argument has some validity in the light of the differences in the rank ordering of social action areas by top and middle management made evident by the study.

Both management groups have opined that interest for getting involved in social action programmes has a bearing to the reward and penalty system but lack of it is not a major hurdle. It is no surprise because such kind of opinion can come forth from people belonging to a land of philosophy like India. Though there is a value crisis, in the depth of the hearts, one finds the average Indian cherishing the ancestral norms and virtues.

The possibility of getting a poor and discouraging response from the beneficiaries is considered as an important
hurdle but it has figured as the last among the listed hurdles. In India, while gratitude for help rendered is quick and abundant, response to the call of self reliance is slow and mild. This has been a factor for the failure of some of the village development programmes undertaken by some companies. "For instance, a recent appraisal of 20 years of rural development work done by the Tata Group of industries in the Satara district of Maharashtra shows that even though the villages that the project served were undoubtedly better off in many ways than the surrounding villages, the project had failed to achieve some of its objectives. The villages instead of becoming self reliant had become more dependent". As such the view is not hypothetical but real, being the outcome of the past experience of the executives.

**Organisational Arrangements:**

For carrying out the social action programmes, organisational modifications are necessary. For companies which prefer a public relations approach or a token approach the appointment of individual executives or a temporary task force of executives may be suitable. But those companies

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7 Shal, Kishore., 'Cosmetic Aids will not work in the country side', *The Indian Express*, October 5, 1978, p. 10.
which like to put on a firm footing the social responsibility policies and programmes have to initiate permanent measures. The preference of both management groups (Table IX.3) clearly demonstrates that they are willing to accord functional status to 'Social Responsibility'.

Table IX.3
Organisational methods in order of priority as perceived by Managers

<table>
<thead>
<tr>
<th>Arrangement</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Top (N=216)</td>
</tr>
<tr>
<td>1. A permanent committee of Executives</td>
<td>43.06</td>
</tr>
<tr>
<td>2. A permanent department</td>
<td>32.41</td>
</tr>
<tr>
<td>3. Appointment of individual Executives</td>
<td>16.20</td>
</tr>
</tbody>
</table>

However, the initial stages of increased adoption of diverse activities, the function can be successfully performed by a Committee and the experience so gained by it can be fruitfully employed to organise a permanent department. This
must be the viewpoint of the executives as the preference for permanent department is also considerably strong.

CONCLUSION

The attitudes of top and middle managers, as found out from the study, give a clear indication that they are highly conscious of social demands and are willing to undertake the different programmes on a voluntary basis, without bothering for personal gains or government subsidies or incentives. They have clear perceptions with regard to the importance of the various areas, the difficulties associated with each one of them and the internal and external hurdles they have to cross while implementing them. They regard Government policies and administrative machinery as the two major hurdles and opine that given the cooperation of the Government, industry can be more socially responsible.