

2

RESPONSE TO SOCIAL RESPONSIBILITY
CHALLENGE - AN INTERSECTORAL SURVEY
OF INDIAN COMPANIES

I

INTRODUCTION

Corporate accountability in a changing society is, now, beyond any challenge and as such consistent demand for social concerns has compelled the business corporations, to-day, to engage themselves in various social action programmes in different degrees. This has resulted in planning of social goals, control and appraisal of social performances along with other traditional business planning and control exercises. Having described the social goals, the enterprise then gets involved in various social activities. Such response of a particular company to the variety of social demands, however, depends upon social issues which are of particular relevance to its operations and upon its own organisational resources and skills. Hence such social involvement differs from enterprise to enterprise and sector to sector as well, depending upon the organisational factors.

II

RELATED STUDIES

Lipson¹ of Alabama University made an attempt to determine the extent to which the pressure for corporate social responsibility affected corporate planning process in the U.S. firms. His study showed that in 1973, nearly two-thirds of the respondents reported to be incorporating social goals into their annual planning process (as compared to less than 40% in 1970). His survey revealed that large U.S. industrial firms were already on the learning curve and are expanding their search for social performances measurement.

Buehler and Shetty² of Utah State University made an empirical analysis of managerial responses to social demands in urban, consumer, and environmental affairs. One of the research questions explored by them was the nature and extent of corporate social action programs in U.S. firms. They found that the respondent companies³ were most involved in employment and training and were contributing to education under the urban affairs category; in quality control, design, improvement and improved customer service under the consumer affairs grouping; and in air and water pollution control under the environmental designation.

III

OBJECTIVE AND DESIGN

This chapter aims at identifying how Indian companies (both in the public and private sector) approach social goals in terms of planning, controlling and appraising social responsibility and performance. It also enquires the nature and extent of corporate social action programmes in Indian corporations in both the sectors and thus describes the emphasis laid by the sampled companies on the five major groups of corporate social affairs⁴.

With the above objective, a questionnaire (Annexure-I) was prepared and mailed to 50 public enterprises and 50 private sector enterprises selected from the lists of the top giants in the respective sectors on the basis of their capital employed. The questionnaire was prepared in consultation with the related studies⁵ conducted mostly in the United States and other foreign countries, with necessary modification to suit Indian business environment.

In the first part of the questionnaire the companies were asked as to whether they plan for social goals; whether they report, review and measure their social performances. In the second part of the questionnaire, in order to give insight into the relative emphasis, the Public Enterprises and the private sector companies were laying on major social

action programs, they were asked to rank their activities within the programs in terms of their degree of involvement. The rankings were based on a five-point scale in which 1 represents the greatest involvement, 2 the next most and so on.

The questionnaire was addressed to the secretaries of the companies concerned and the personnels who filled in the questionnaire held the positions of company secretaries, assistant company secretaries, senior and middle level managers.

IV

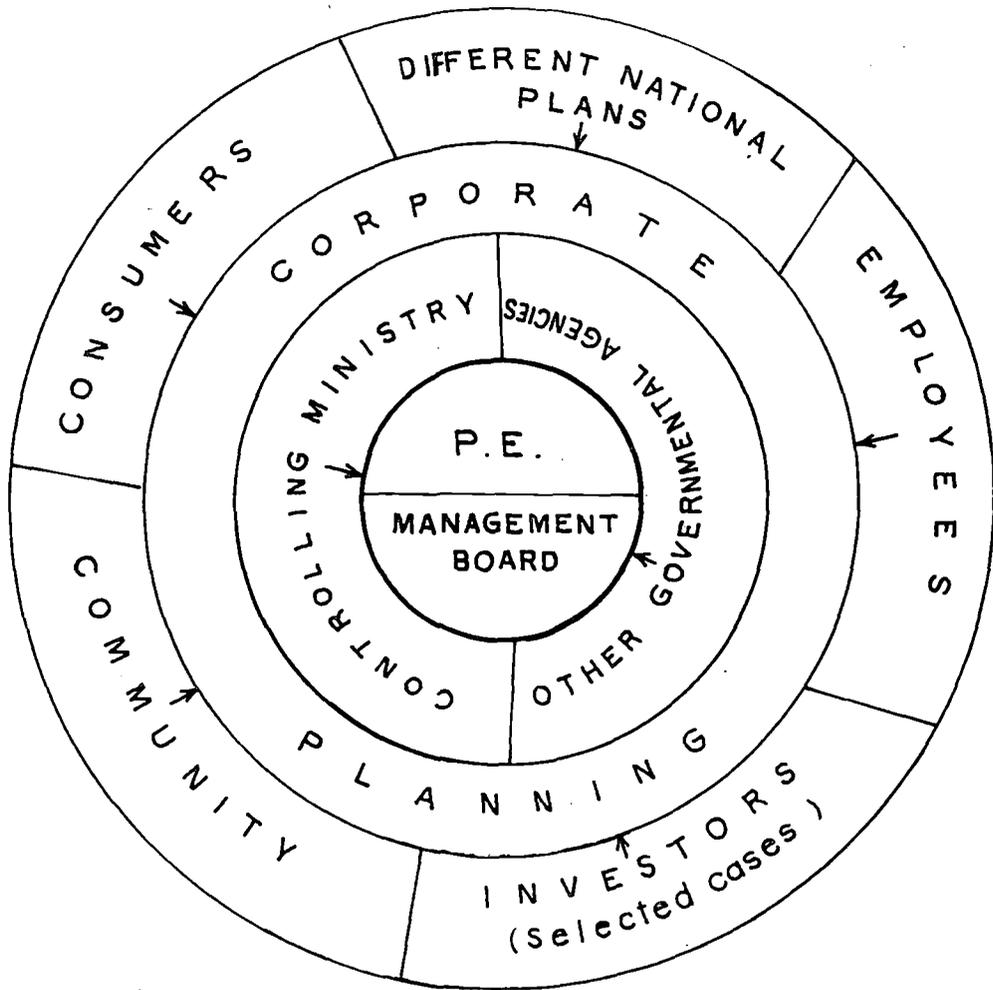
ANALYSIS OF RESPONSES

A. Corporate Approach to Social Goals - An Inter-sectoral Overview.

Planning, control and appraisal of social obligation and performance are likely to differ between the public sector enterprises and the private sector enterprises, because of the complexity of the social environment and objectives of Public Enterprises as compared to the private sector enterprises. An Inter-sectoral survey of sampled companies' approach to such social goals reveals the following :

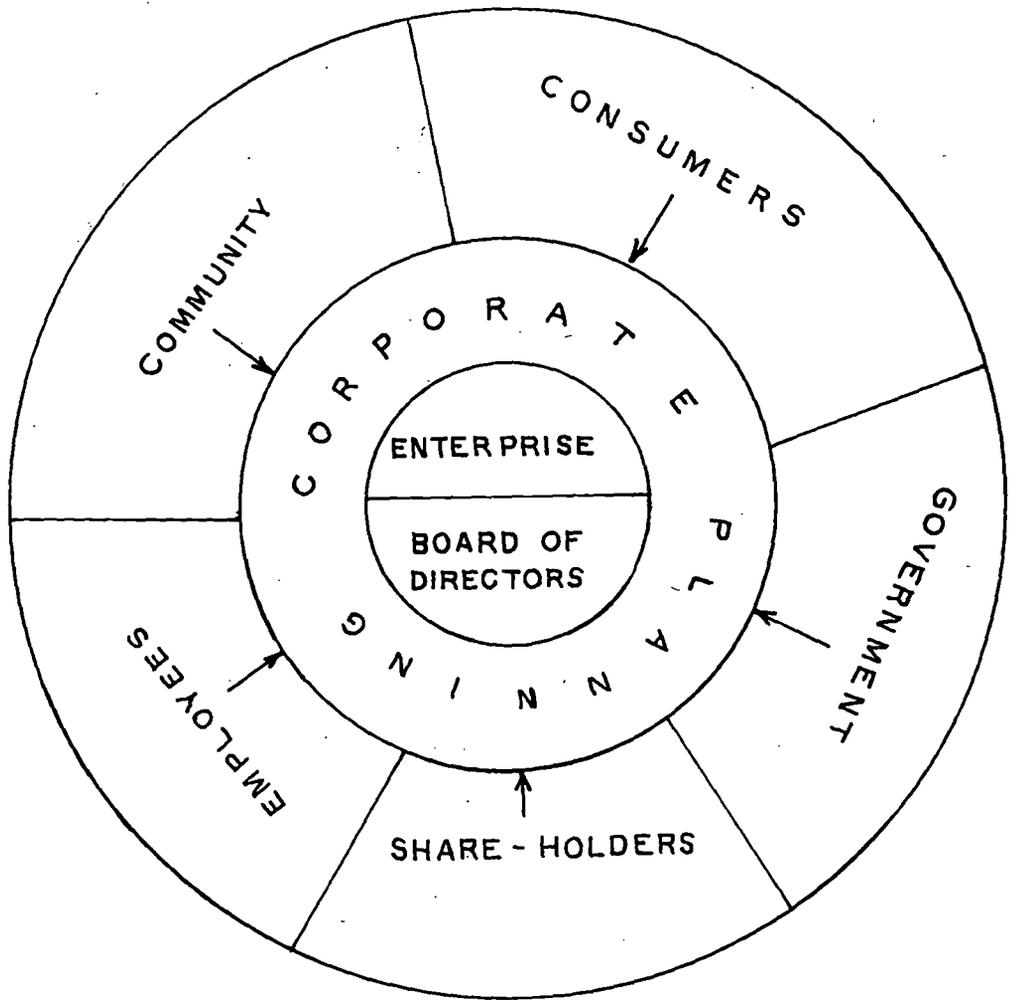
1. Social Goals Planning :

Public Enterprises function within a framework laid down by the Government in its policy to use these commercial and industrial ventures in the interest of the Nation, for promoting its economic and social well-being. The corporate planning process in Public Enterprises, as such, is governed by the National planning process which takes into account a wide range of demands and pressures of the people of the country. Thus the demands and pressures on the Public Enterprise planning process stem from the macro-level planning defined in a broad manner. The social responsibility pressures on the Public Enterprise planning process also comes, by and large, in the same way. However, in India, till now, an ambiguity persists regarding the responsibility of defining social obligation of Public Enterprises at the unit level. But apart from the fact that such social responsibility pressures are exerted by the National plans or sometimes by the concerned ministry or other agencies of the Government, either formally or informally, the pressures as exerted by other constituents of the Public Enterprise environment (when viewed as a separate entity other than the Government) - like the employees, the consumers, the public directly etc. must be taken into account at the enterprise level planning process (Fig. 1). On the contrary, in private sector enterprises, barring a few statutory obligations, the entire social



SOCIAL RESPONSIBILITY PRESSURE ON PLANNING PROCESS — PUBLIC ENTERPRISES .

Fig.1



SOCIAL RESPONSIBILITY PRESSURE ON PLANNING
PROCESS — PRIVATE SECTOR ENTERPRISES .

Fig. 2

responsibility pressure on the annual planning process is considered at the enterprise/board level (Fig. 2).

Social Goals Planning may be done through incorporation of social goals into annual planning process or preparing a separate Social Performance Plan.

Table : I
Social Goals Planning

	Public Enter- prises (n = 22)	Private Sector Companies (n = 18)
Companies incorporating social goals into annual planning process	81.82%	50%
Companies seeking comparative industry norms for social programs	54.55%	37.5%

It is observed (Table :I) that about 82% of the Public Enterprises in the sample were incorporating social goals into their annual planning process which is much higher than those in the private sector companies. This shows the assumption of wider social obligation of Public Enterprises as compared with their counterparts in the private sector. Examples of inclusion of social goals into corporate objectives (Exhibits - I to III) also substantiate this view. For effective monitoring of social plans and to have an idea

Exhibit - I
Cement Corporation of India

Company's Objectives

1. To achieve a pioneering and leading position in the exploration, prospecting and proving of cement grade limestone reserves and deposits to sustain ambitious growth plans of the Corporation, in particular, and of the cement industry, in general.
2. To emerge as a growing and dominant leader in the production of cement in the country by creating additional capacity either by expansion or by improved technology or by setting up new cement plants-both mini and maxi plants.
3. To emerge as a leader in setting up split location plants for removing existing regional imbalances of production and consumption in pursuance of the national policy in this regard.
4. To emerge, resultantly, as the largest seller of cement in the country and to continue to perpetuate and improve upon the same position by constant increase in its production capabilities.
5. To develop and enter export market for export of cement, particularly, to neighbouring South East Asian countries.
6. To undertake detailed and scientific scanning of the marketing potentialities for development and diversification into areas of cement based building materials such as AC sheets, pipes, sleepers, ready mixed concrete and to undertake appropriate research studies for development of other building binding materials as a substitute for cement.
7. To occupy a position both of dominance and eminence in the research and development in different fields for cement technology and process as also bring about new innovations in the design, lay out and other technical specifications of the new cement plants and other related auxiliary inputs to the cement industry.
8. To develop capability and to sustain, perpetually, sound technical and engineering knowledge to render technical consultancy services both in the field of plant layout as well as in the cement process technology, both within and outside the country.
9. To develop ancillary and small scale industrial complex around our factories for establishment of reliable sources of prompt and smooth supply of maintenance spares, refractories, small castings, hardware etc. on the one hand and for social and economic uplift of local community in remote and backward areas on the other.
10. To develop expertise and sustain sound practices in project management by application of modern management techniques of planning, monitoring, review and progress of the projects undertaken to ensure their completion within the sanctioned costs without any time over run.
11. To ensure sound commercial policies, customer acceptance and satisfaction for the company's products and other services.
12. To develop confidence in the customers and to sell products/services of high quality at prices determined from time to time by the Government and to sustain a sound image for the products supplied and services rendered which are the results of latest sophisticated technology and manufacturing techniques

-
13. To generate a participative culture and management style which will create good in-house working conditions and job satisfaction to all employees, to ensure fair wages commensurate with their performance, create a sense of involvement and belonging to the Corporation, instil a sense of confidence in the matter of their career growth and advancement and create an atmosphere of mutual respect and goodwill amongst all sections of the employees.
 14. To sustain continuous development of managerial talent so as to ensure their best contribution in the matter of utilization of all resources placed at their disposal for managing and to provide adequate training and development opportunities for all our workmen.
 15. To develop an organisational structure with well defined objectives and responsibilities and to create an atmosphere where freedom to function and flexibility to perform is ensured for all according to their ability, capacity, resourcefulness and initiative.
 16. To ensure a fair and adequate return (12% on net worth) on the investment made in the Corporation and to develop internal resources to sustain future growth of the Corporation as envisaged.
 17. To put in its humble mite and fulfil its social and community obligations by pursuing national policies in regard to development of rural and backward areas to the extent resources of the Corporation could be deployed.
 18. To review from time to time the environmental impact of setting up of our industries and to continuously find ways and means to offset/minimise impact of such environmental pollution.

OBJECTIVES AND OBLIGATIONS

Exhibit - II

Objectives:

- *To serve the national interests in the oil and related sectors in accordance and consistent with Government policies.*
- *To ensure and maintain continuous and smooth supplies of petroleum products by way of crude refining, transportation and marketing activities and to provide appropriate assistance to the consumer to conserve and use petroleum products most efficiently.*
- *To earn a reasonable rate of return on investment.*
- *To work towards the achievement of self-sufficiency in the field of oil refining, by setting up adequate domestic capacity and to build up expertise for pipe laying for crude/petroleum products.*
- *To create a strong research and development base in the field of oil refining and stimulate the development of new petroleum product formulations with a view to minimise/eliminate their imports, if any, and*
- *To maximise utilisation of the existing facilities in order to improve efficiency and increase productivity.*

Indian Oil Corporation Limited

Obligations:

- *Towards customers and dealers: to provide prompt, courteous and efficient service and quality products at fair and reasonable prices.*
- *Towards suppliers: To ensure prompt dealings with integrity, impartiality and courtesy and to promote ancillary industries.*
- **Towards employees:**
 - *Develop their capability and advancement through appropriate training and career planning.*
 - *Expeditious redressal of grievances.*
 - *Fair dealings with recognised representatives of employees in pursuance of healthy trade union practice and sound personnel policies in keeping with public sector philosophy.*
- **Towards Community:**
 - *To ensure quality products through proper distribution at fair prices to the people.*
 - *To develop techno-economically viable products for the benefit of the people.*
 - *To encourage progressive indigenous manufacture of products and materials so as to substitute imports.*
 - *To avoid and control environmental pollution in its manufacturing plants and townships by taking suitable and effective measures.*
 - *Improve the condition of Scheduled Castes/Scheduled Tribes in pursuance of national policies.*
 - *To help acceleration of all round development of villages by providing assistance to educated unemployed to earn a living, etc.*

Financial Objectives:

- *To ensure adequate return on the capital employed and maintain a reasonable annual dividend on its equity capital.*
- *To ensure maximum economy in expenditure.*
- *To generate sufficient internal resources for financing partly/wholly expenditure on new capital projects.*
- *To develop long-term corporate plans to provide adequate growth of the activities of the Corporation.*
- *To continue to make an effort in bringing a reduction in the cost of production of the petroleum products manufactured by means of systematic cost control measures.*
- *To endeavour to complete all planned projects within the stipulated time and within the stipulated cost estimates.*

MISSION & CORPORATE OBJECTIVES

Mission

Consistent with the country's socio-economic policies and programmes, the Company's Corporate Mission is to promote self-reliance in the Design, Development and Production of Professional Electronic Equipments and Components in India to international standards and to maintain the Company's leadership role in this field.

Objectives

1. To achieve and hold a position of pre-eminence in the design, development and production of professional electronic equipments and components.
2. To ensure that its products incorporate state-of-the-art technology, economy in production, reliability and maintainability.
3. To act as a catalyst for other public and private sector institutions and enterprises and promote their activities in the professional electronics field, consistent with its own mission and objectives.
4. To plan and achieve adequate growth in production and technology to meet the evolving market requirements through a judicious combination of in-house expansion, acquisitions and ancillarisation.
5. To constantly strive for optimum productivities and efficiencies in the utilisation of human and material resources and to promote pervasive quality consciousness in all its operations.
6. To provide a fair return on the investment and generate adequate internal resources, to finance the growth of the Company and renovation of its facilities.
7. To strive constantly for a fair deal to the customers of its products and services in regard to price, quality and after-sales support.
8. To achieve its R&D aims through the optimum use of its own resources in tandem with the resources available with other National Agencies and Research Institutions in the field.
9. To establish a long range plan and make it sufficiently well known to be able to utilise the vast resources in R&D available in the country.
10. To establish a significant overseas market for its products and services.
11. To assist the development of ancillaries and small scale units, both as suppliers and as customers, by providing technical as well as commercial support.
12. To provide for the systematic development of managerial, technical and professional skills among its employees so as to optimise the effectiveness of its workforce.
13. To ensure a happy and congenial work atmosphere which would generate job satisfaction and a sense of belonging and commitment on the part of its employees, to provide adequate opportunities for their career advancement, self-development and professional competence and to inculcate among its employees, respect for the human individual and goodwill towards all sections of the society.
14. To preserve and improve, where possible, the ecological balance in the geographical locus of the Company's operations.

about the extent of its acceptance of social obligation, one enterprise generally compares the same with other enterprises. In case of Public Enterprises, this issue may not be that much significant as it is in the case of private sector enterprises; because, in the case of Public Enterprises, the imposition of social obligation on the enterprise are made more by the Government or other such agencies. However, the responses show that the private sector companies are lagging behind the Public Enterprises in seeking comparative industry norms.

2. Control:

Once the social goals are set, the next step is to monitor the social performance following those social goals. This is generally done by controlling the social performance. Such control is exerted within an enterprise through social performance information feedback (i.e. internal social reporting⁶) and reviewing those social performance periodically.

We find in Table : II , that in view of reporting of social performance by the Public Enterprises, much importance has been attached to the Board of Directors, while the internal management committees get the least importance, the other users occupying the middle position.

Table : II
Control of Social Performance

	Public Enter- prises (n = 22)	Private Sector Companies (n = 18)
Companies reporting on social performance to :		
Internal Management Committees	27.27%	50%
Board of Directors	81.82%	50%
Others	63.64%	50%
Companies reviewing social performance :		
Monthly	45.45%	00%
Quarterly	9.09%	25%
Semiannually	9.09%	00%
Annually	27.27%	37.5%

The private sector sompanies, however do not grade the end-users of such social performance information, attaching equal importance to all such users. Most of the Public Enterprises review their social performance monthly and annually, while most of the private sector companies do the same quarterly and annually.

3. Appraisal :

In order to evaluate social performance of an enterprise, measurement⁷ of such social performance is a must; because social measurement helps estimating the benefits or utility provided by an entity, and the costs or sacrifices imposed on the elements of the society. Thus proper appraisal of social performance requires their measurement by one or more of the techniques in practice.

Table : III
Appraisal of Social Performance

	Public Enter- prises (n = 22)	Private Sector Companies (n = 18)
Companies experimenting with different approaches to measuring social performance :		
Describing social programs	54.55%	25.0%
Assigning priorities to social programs	9.09%	12.5%
Measuring rupee-cost of social programs	9.09%	00.0%
Measuring degree of social goal achievement	18.18%	00.0%
Measuring return on social investment	00.00%	00.0%
Preparing comprehensive social audits	00.00%	25.0%
Companies not measuring social performance	9.09%	37.5%

In the present exercise (Table : III) we observe that most of the respondent Public Enterprises are experimenting with one or the other approach to measurement of social performance, while 37.5% of the private sector companies are not experimenting with any of the approaches for measuring social performance. In case of Public Enterprises most of the companies describe social programs while few measure the degree of social goal achievement . Very few equal number of Public Enterprises are assigning priorities to social programs or measuring the rupee-cost of social programs, while none of the Public Enterprises are either measuring the return on social investment or preparing comprehensive social audits. In case of private sector respondents, 50% of the companies describe their social programs or prepare social audits, while 12.5% of the companies assign priorities to social programs.

Thus , as we compare the corporate attitude to social responsibility (in terms of planning, controlling and appraisal of social performance), we observe that the Public Enterprises, as it ought to be, are more prone to the social responsibility pressure as compared to the private sector companies.

B. Corporate Social Involvement --- An Inter-sectoral survey of Emphasis on Major Social Action Programs.

Since the degree of social involvement differ from enterprise to enterprise depending on the organisational factors, it is also likely to differ as between public sector enterprises and private sector enterprises as public sector enterprises are expected to be largely involved in various social activities because of their two fold social obligations - i) as Public Enterprises in implementing National Social Policies; and ii) as business organisations in recognising their accountability in a changing society.

An analysis of the responses as to the degrees of companies' involvement in various social action programs may be summed up as follows :

1) Consumer Affairs : In the area of consumerism, both the respondents Public Enterprises and the private sector companies indicated their major activity to be in quality control, design improvement and customer service being the next most. Both the public sector enterprises and the private sector companies do not differ widely among themselves in assigning their first priority to quality control activities. The private sector companies, however, do not give much importance to customer information and education as the public sector enterprises attach . Moreover, the

Table : IV
Consumer Affairs

Activities	Respondents in the public sector		Respondents in the private sector	
	Av. Ranking	S.D.	Av. Ranking	S.D.
a) Quality Control	1.43	0.728	1.57	0.728
b) Design Improvement	2.83	1.213	2.71	1.030
c) Customer Service	3.33	1.247	2.57	0.728
d) Marketing Improvement	3.83	1.213	3.00	1.512
e) Customer Information and Education	3.50	1.258	4.29	1.161
	\bar{X} = 2.984		\bar{X} = 2.828	
	S.D. = 0.9407		S.D. = 0.9785	
	C.V. = 31.525		C.V. = 34.600	

public sector enterprises are more consistent than the private sector companies in terms of their involvement in the consumer affair activities (the co-efficient of variation is higher in case of private sector companies than the public sector enterprises). It can be observed from Fig. 3 that Public Enterprises' involvement in 4 out of 5 activities has lesser variations than that of the private sector enterprises.

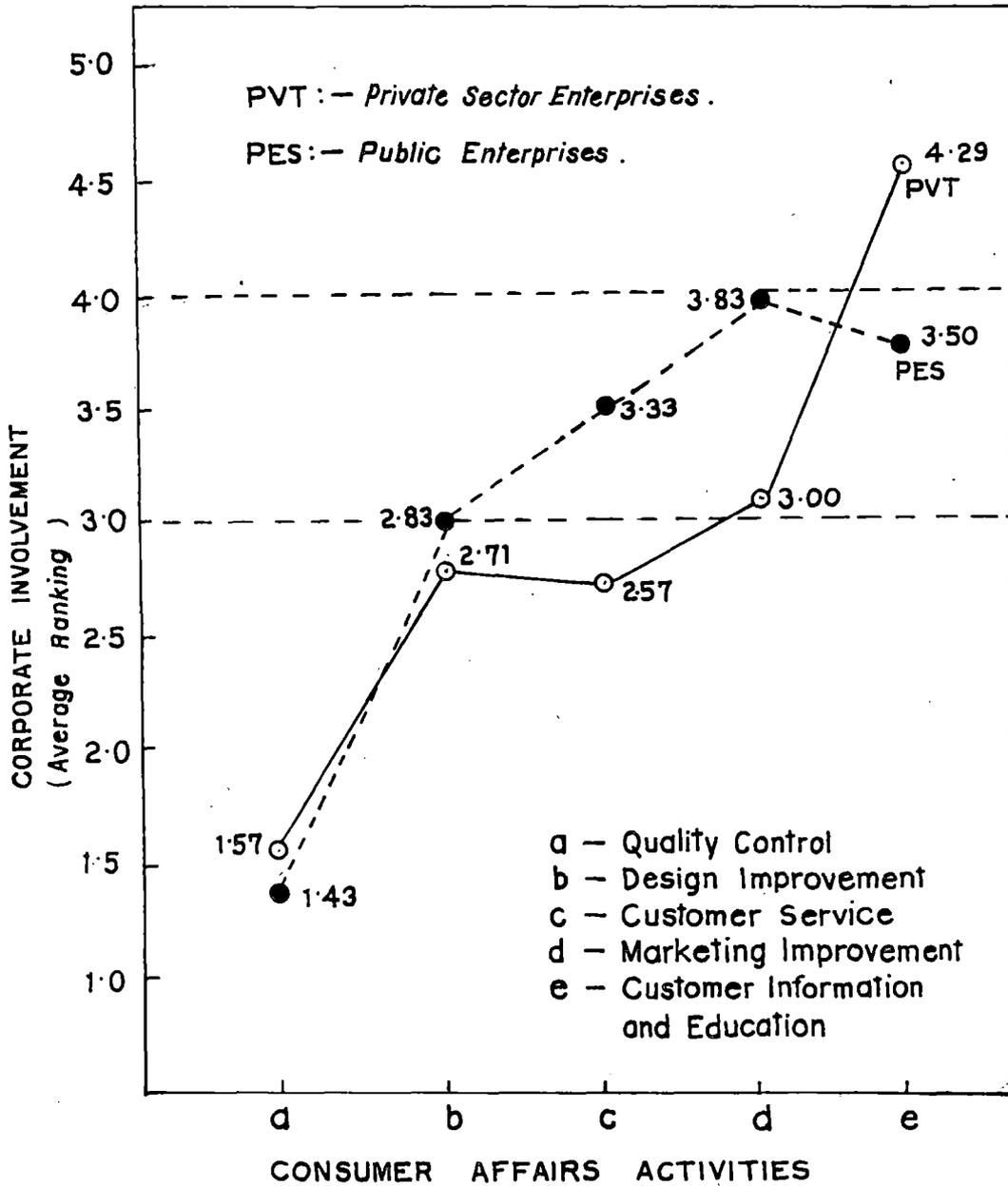


Fig. 3.

2) Environmental Affairs : As regards environmental affairs, the Public Enterprises are doing more work in water pollution control and waste disposal, while the private sector companies are doing more in waste-disposal and air pollution control. The Public Enterprises are least involved in the radiation abatement and the respondent Public Enterprises do

Table : V
Environmental Affairs

Activities	Respondents in the public sector		Respondents in the private sector	
	Av. Ranking	S.D.	Av. Ranking	S.D.
a) Water pollution	1.18	1.666	3.60	1.497
b) Air pollution	2.75	0.829	2.40	1.356
c) Waste-disposal	2.00	0.894	1.40	0.490
d) Noise abatement	3.67	0.471	3.00	0.707
e) Radiation abatement	5.00	0.000	3.75	1.299
	\bar{X} = 3.044		\bar{X} = 2.830	
	S.D. = 1.3174		S.D. = 0.9615	
	C.V. = 43.279		C.V. = 33.975	

not differ among themselves on the degree of such involvement. It can be seen from Fig. 4 that both public sector and private sector companies have varying degrees of their involvement in different environmental affairs activities.

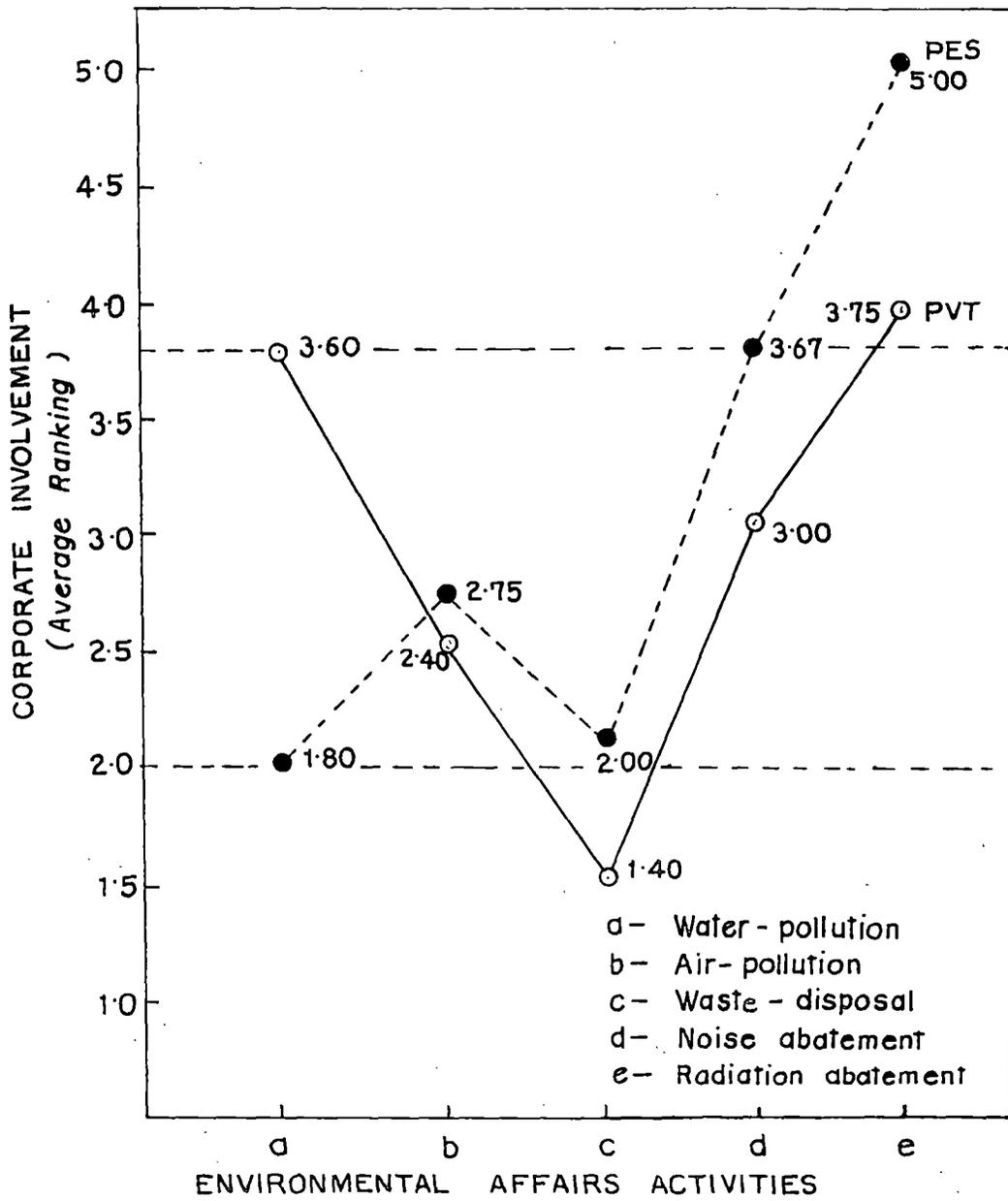


Fig. 4

But the private sector companies are found to be more consistent than the public sector enterprises in terms of their involvement in various activities relating to environmental affairs.

3) Urban Affairs : Both the Public Enterprises and the private sector enterprises are mostly concentrating on the employment and training of human resources. As expected, the Public Enterprises' next most involvement is in helping the underprivileged (through employment and advancement of scheduled castes, tribes and women) while the private sector

Table : VI
Urban Affairs

Activities	Respondents in the public sector		Respondents in the private sector	
	Av. Ranking	S.D.	Av. Ranking	S.D.
a) Employment & Training	1.67	0.745	1.57	1.050
b) Scheduled Castes/ Scheduled Tribes/ Women employment and advancement	2.00	0.000	3.83	0.898
c) Contribution to Educa- tion, Culture and Arts	3.50	1.118	3.14	0.639
d) Medical Assistance	3.50	0.957	2.14	0.833
e) Urban Renewals	4.33	1.106	4.17	1.462
	\bar{X} = 3.00		\bar{X} = 2.97	
	S.D. = 1.1223		S.D. = 1.1020	
	C.V. = 37.41		C.V. = 37.104	

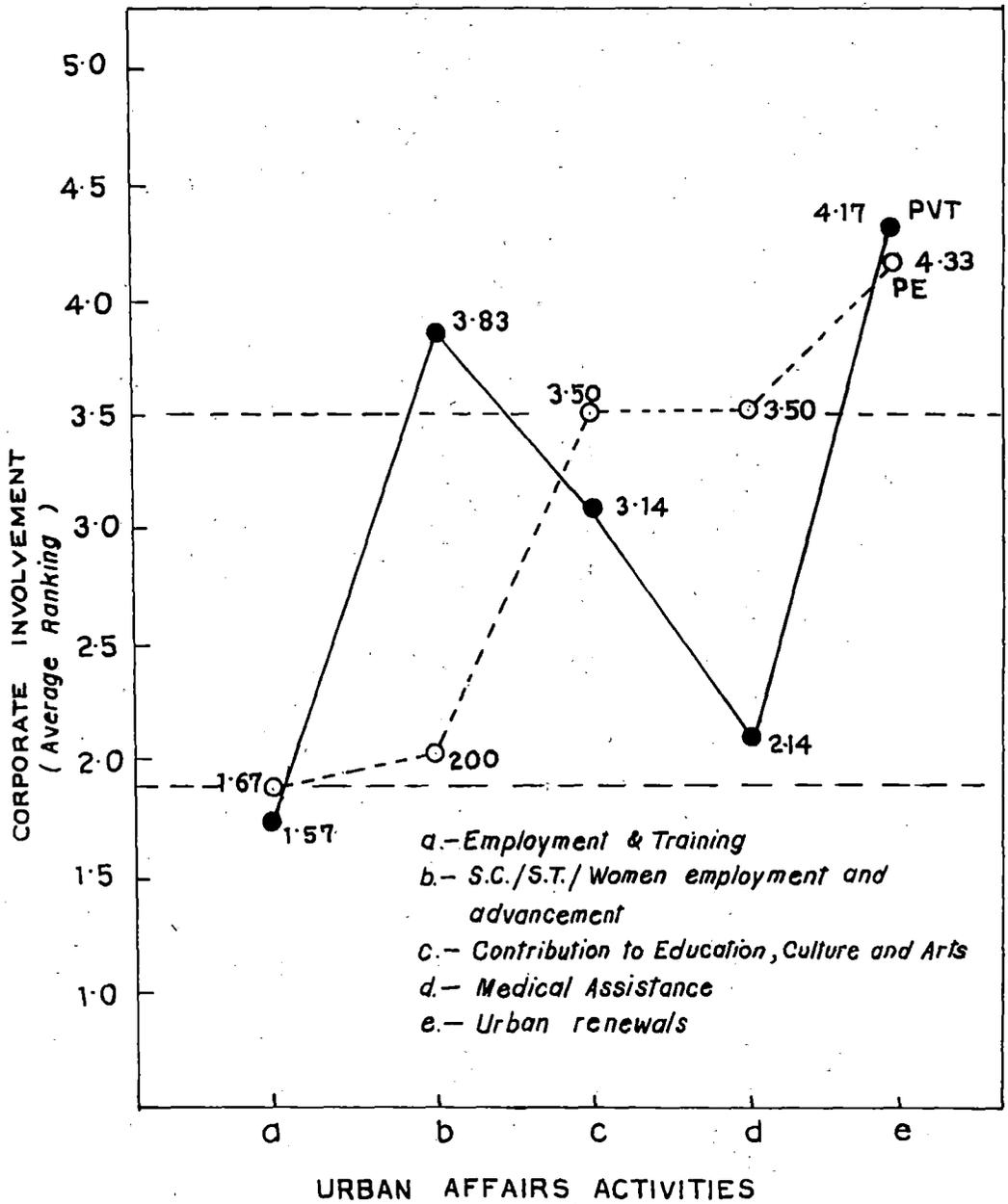


Fig. 5.

companies are least involved in this area. This is in line with Government's policy for reservation of vacancies for these categories of persons - a burden exclusively borne by the Public Enterprises only. Both the public sector and private sector enterprises have shown uniform variations in laying emphasis on various urban affairs activities as we find that both of them have almost equal co-efficient of variations. Fig. 5 exhibits such variations in the degree of their involvement.

4) Employee Affairs : In matter of employee affairs, the degree of involvement do not have wide variations in

Table : VII
Employee Affairs

Activities	Respondents in the public sector		Respondents in the private sector	
	Av. Ranking	S.D.	Av. Ranking	S.D.
a) Employee Relations	2.67	1.491	1.43	0.495
b) Employee Safety	2.50	1.607	2.83	1.213
c) Employee Health	2.83	1.572	4.00	1.000
d) Employee Education and Training	3.00	1.000	3.33	0.943
e) Employee Benefits Satisfaction with work	2.50	1.500	3.33	1.699
	\bar{X} = 2.70		\bar{X} = 2.984	
	S.D. = 0.2167		S.D. = 0.9631	
	C.V. = 8.026		C.V. = 32.275	

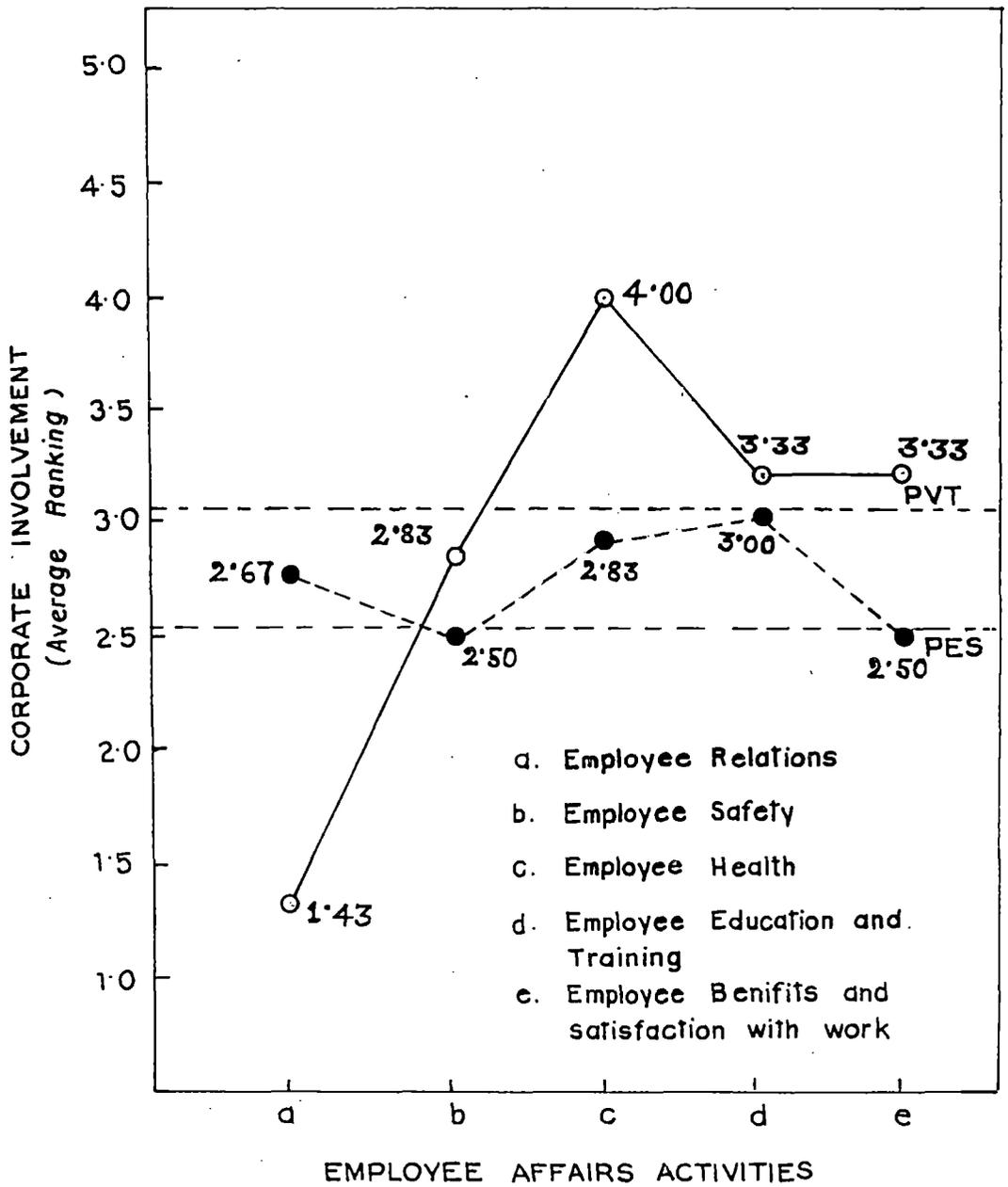


Fig. 6.

companies in either sector. Of them, the Public Enterprises are concentrating more on employee safety and employee benefits and satisfaction with work, while the private sector enterprises are concentrating mostly on the employee relations and then on employee safety. Employee health does not receive that much importance in their cases as it is in case of public sector enterprises. The curve showing Public Enterprises' involvement in various employee affairs activities covers a very small area as compared to the private sector companies (Fig. 6). Thus the public sector enterprises are much more consistent than the private sector companies in terms of their involvement in various activities of employee affairs.

5) External Relations Affairs : Both the private and public sector enterprises somehow give equal emphasis on all the areas covered in external relations affairs. All the respondents in both the sectors give least importance in matter of political contribution. However, the Public Enterprises give emphasis mostly on the participation and development of business/government programs. In case of private sector companies most impetus is given on the relations/communications with constituencies such as stockholders, fund managers, major customers etc. Public Enterprises assign higher ranking (signifying lesser involvement) in such matters. This is because of the

Table : VIII
External Relations Affairs

Activities	Respondents in the public sector		Respondents in the private sector	
	Av. Ranking	S.D.	Av. Ranking	S.D.
a) Participation/ Development of Business/Government Programmes	1.40	0.490	2.50	1.258
b) Relations/Communications with constituencies such as stock holders, fund managers, major customers and so on.	3.25	0.433	1.50	0.500
c) Comparisons of policy and Performance between countries and vs. local standards.	2.60	1.200	3.00	0.707
d) Extent of Public Disclosures of performance by activity category.	2.60	1.200	3.00	0.707
e) Political Contribution	5.00	0.000	5.00	0.000
	\bar{X} = 2.97		\bar{X} = 3.00	
	S.D. = 1.3170		S.D. = 1.2748	
	C.V. = 44.343		C.V. = 42.493	

relative position of the Public Enterprises in the economy in matters of finance, marketing etc. which restricts the necessity of the Public Enterprises to concentrate more in

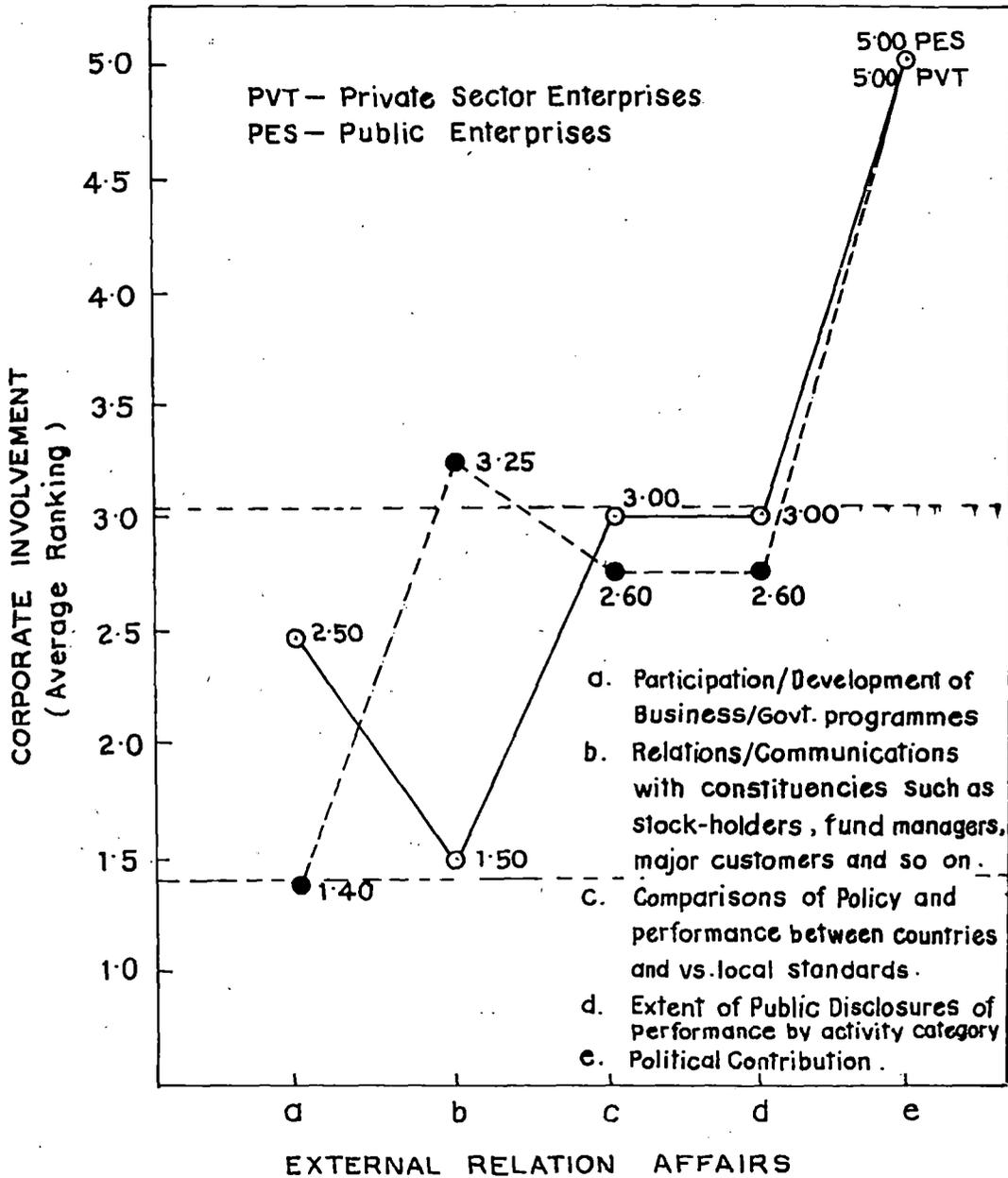


Fig. 7.

this area which however is of considerable importance to companies in the private sector. Though companies in both the sectors show varying degrees of their involvement; however the private sector companies are found to be more consistent than the public sector companies in laying emphasis on the various activities in the external relations affairs. Fig. 7 gives a close look into such variations in involvement.

V

SUMMING - UP

Both the Public Enterprises and the private sector enterprises approach social goals as many of them are preparing social goal plans, controlling their social performance through any of the measurement techniques available. While we turn to inter-sectoral comparison we find that the Public Enterprises adopt broader social goals as compared to the private sector enterprises in terms of incorporating social goals into their annual planning process, in seeking comparative norms for social programs, external communication of social performance, reviewing social performance (monthly and annually) and describing social programs and measuring degree of social goal-achievement.

Furthermore, the data indicate that respondent Public Enterprises are mostly involved in quality control, design improvements under the consumer affairs grouping; in water pollution control, waste disposal, air pollution control under the environmental designation; in employment and training, scheduled castes and scheduled tribes employment and development under the urban affairs category ; in employee benefits and satisfaction with work and employee safety under the employee affairs category; and in participation and development of business and government programs under the external relations affairs category.

On the contrary, the private sector companies are mostly involved in : quality control (under the consumer affairs group), waste-disposal (environmental affairs group), employment and training (urban affairs group), employee relations (employee affairs group), relations/communications with stock-holders, fund managers, major customers etc. (external relations affairs group).

While making a comparison (in terms of co-efficient of variations ⁹) of the pattern of social involvement in various social activities, variations have been witnessed in the degree of social involvement of companies in both the sectors. However, the public sector enterprises have been found to be more consistent in the various activities of the consumer and empl

affairs while the private sector companies have been found to be more consistent in the various activities of environmental affairs and external relations affairs. More or less uniform variations have been observed in matters of relative emphasis on the urban affairs activities.

This analysis also reveals Public Enterprises' greater involvement in areas like employee welfare, scheduled castes and scheduled tribes employment and advancement of backward communities which indicates their broader social commitment in helping the underprivileged. Also there are other macro social obligations of Indian Public Enterprises viz. developing the ancillary and small-scale sector, developing backward regions, rural upliftment etc. which make the public sector enterprises incomparable with the private sector companies in the social front ; because these are the areas where public sector enterprises alone are found to be involved. The present exercise however does not examine Public Enterprises' involvement in these macro social activities as it forms part of the analysis of the next chapter.

NOTES & REFERENCES

1. Harry A. Lipson, 'Do Corporate Executives Plan for Social Responsibility' in Archie B. Carroll (ed.), Managing Corporate Social Responsibility (Boston:Little, Brown and Company, 1976), pp.191-192.
2. Vernon M. Buehler and Y.K. Shetty, 'Managerial Response to Social Responsibility Challenge', in *ibid.*, pp.107-119.
3. The researchers had sent their questionnaire to 1,250 firms on Fortune's list of the largest U.S. firms. Responses were received from 232 companies. (i.e., a return of roughly 19%). Their questionnaire was addressed to the presidents of the companies concerned. See, *ibid.*, pp.108-109.
4. The five areas of social involvement dealt in by the present survey include the following activities :
Consumer Affairs Activities; Environmental Affairs Activities; Urban Affairs Activities; Employees Affairs Activities; External Relations Affairs Activities.

Buehler and Shetty described three areas of social involvement which included the Urban Affairs; Consumer Affairs and Environmental Affairs.

5. Such studies are : Lipson, Harry A., op.cit., Buehler and Shetty, op.cit.; Aaker, David A., and George S. Day, "Corporate Responses to Consumerism Pressures", Harvard Business Review, Vol.50, No.6 (1972), pp.114-124; Ackerman, Robert W., "How Companies Respond to Social Demands", Harvard Business Review, Vol. 51, No.4 (1973), pp.88-89; Cohen Jules, "Is Business Meeting the Challenge of Urban Affairs ?", Harvard Business Review, Vol.48, No.2 (1970), pp.68-82; Eilbirt Henry and Robert Parket, "The Current Status of Social Responsibility", Business Horizons, Vol. 16, No.4 (1973), pp.5-14; Webster, Fredrick E., Jr., "Does Business Misunderstand Consumerism ?", Harvard Business Review, Vol. 51, No.5 (1973), pp.89-97. Terry W. McDam, "How to Put Corporate Responsibility into Practice", Business & Society Review/Innovation (Summer 1973), pp.8-16
6. Within an enterprise the greatest need and the greatest demand for social performance information come from top management. They need information in order to respond to a critical press, to testify knowledgeably when called on. The company Directors, mainly because of their growing legal liability, need to know in some details as to what sort of social programmes their company is running and the results therefrom. They also need full information about the effects of the Corporation on the Society. The shareholders also need social performance information of the company they own.
7. For a detailed discussion on measurement of social performance, see Ralph Estees, Corporate Social Accounting (New York : John Wiley & Sons, 1976), pp.108-149. Also see, Ahmed Belkaoui, Socio-Economic Accounting (England : Quorum Books, 1984), pp. 189-229.

8. Since the respondent personnels preferred not to disclose their identity, the names of the respondent companies/officials could not be disclosed.
9. C.V. or Co-efficient of Variations =

$$\frac{\text{Standard Deviation } (\sigma)}{\text{Mean } (\bar{X})} \times 100$$

A series in which C.V. is higher would have greater dispersion than one in which it is lower. This measure was developed by Karl Pearson.

(Confidential)

QUESTIONNAIRE

Part-A

(Please put ✓ mark for your answer)

1. Are you incorporating social goals into your annual planning process ? YES/NO
2. Are you seeking comparative industry norms for social programmes ? YES/NO
3. Are you reporting on Social performance to :

Internal Management Committees	<input type="checkbox"/>
--------------------------------	--------------------------

Board of Directors	<input type="checkbox"/>
--------------------	--------------------------

Shareholders	<input type="checkbox"/>
--------------	--------------------------
4. Are you reviewing your social performances -

Monthly	<input type="checkbox"/>
---------	--------------------------

Quarterly	<input type="checkbox"/>
-----------	--------------------------

Semi-annually	<input type="checkbox"/>
---------------	--------------------------

Annually	<input type="checkbox"/>
----------	--------------------------
5. Approaches to measurement of social performances adopted by you :-

Describing Social Programmes	<input type="checkbox"/>
Assigning Priorities to Social Programmes	<input type="checkbox"/>
Measuring Rupee-Cost of Social Programmes	<input type="checkbox"/>
Measuring Degree of Social Goal Achievements	<input type="checkbox"/>
Measuring Return on Social Investment	<input type="checkbox"/>
Preparing Comprehensive Social Audit	<input type="checkbox"/>

P.T.O.

Part-B

(Please rank your company's activities in terms of your degree of involvement. Please rank on a five-point scale in which 1 represents the most involvement, 2 the next most and so on)

A. Consumer Affairs :

Quality Control		Design Improvement		Customer Service	
-----------------	--	--------------------	--	------------------	--

Marketing Improvement		Customer Information and Education	
-----------------------	--	------------------------------------	--

B. Environmental Affairs :

Water-Pollution		Air-Pollution		Waste Disposal	
-----------------	--	---------------	--	----------------	--

Noise Abatement		Radiation Abatement	
-----------------	--	---------------------	--

C. Urban Affairs :

Employment and Training		S.C./S.T. and Woment Employment and Advancement	
-------------------------	--	---	--

Contribution to Education, Cul- ture and Arts		Medical Assistance		Urban Renewals	
---	--	--------------------	--	----------------	--

P.T.O.

D. Employee Affairs :

Employee Relations	
--------------------	--

Employee Safety	
-----------------	--

Employee Health	
-----------------	--

Employee Education & Training	
-------------------------------	--

Employee Benefits & Satisfaction with work	
--	--

E. External Relations Affairs :

Participation & Development of Business/government Programmes	
---	--

Relations/Communications With constituencies such as stock-holders, fund managers, major customers and so on	
--	--

Comparisons of Policy and Performance between countries and versus local standard	
---	--

Political Contribution	
------------------------	--

Extent of Public Disclosure of Performance By Activity Category	
---	--