

CRANFIELD INSTITUTE OF TECHNOLOGY

School of Management

Submitted for the award of Ph.D

Shailendra Vyakarnam

**THE SOCIAL RELEVANCE OF POSTGRADUATE
MANAGEMENT EDUCATION**

A Case study of India

Supervisor : Professor Malcolm H. Harper

December 1987

ABSTRACT

The study reported here, consists of three main parts. The first deals with the issue of the importance on management education in a poor country, some of the reported effects and therefore the question of relevance is raised. Proponents of the free market system argue that the only role of a manager is to make a profit for the business. However, in a country like India where the majority of the population is outside the mainstream of modern industrial life, there are arguments that freedom to make a profit should be accompanied by social responsibility because this form of behaviour helps to link modern industry with the wider social goals of a country.

The second part of the study considers how to define and measure the social effects of publicly funded education. The outcome is the use of personal construct theory and repertory grid technique, borrowed from clinical psychology, which help to examine the social responsibility of Indian managers. The theory states that man makes choices and decisions based on the way he construes the world around him and the way he anticipates future events. The implication is that managers who construe social responsibility in terms of socio economic development are likely to make decisions which are more beneficial to society than those who have a narrower view of socially responsible behaviour.

The third part of the study reports on the findings of the study, which has used five separate instruments with 53 Indian managers who have been trained at one of the three established Indian Institutes of Management. These Institutes (IIMs) train around 500 graduate managers each year and one of their objectives, is to "inculcate" social values in the graduates so that their future decisions as managers will be made in this context and be relevant to India's needs. The graduates are from among India's social elite and the way they construe social responsibility has been compared to a matched group of managers who have not been through the IIMs. Data has been collected, to classify the managers, on the social origins, their place of work and career orientations. The way they construe corporate and managerial social responsibility was elicited through the use of repertory grid technique, in order to examine the question of social responsibility in as many different ways as possible. Interestingly the results indicate insignificant differences between the two groups.

These are interesting results as they highlight the possibility that the IIMs have not managed to instill socially responsible constructs which are any different from other Indian managers. Although this study is a snap-shot view of Indian managers, it does point to an area of

research which the IIMs might take up, for example the objective of instilling social responsibility might not be achievable given all the other aims of the Institutions, or, if they feel that being of social consequence is important they might review their entry requirements, operational focus and so on. The main contribution of the results, to this issue, is a new approach to evaluating management education, helping to break from the conventional social cost benefit methods.

This study has two further contributions of particular interest. First, it has examined social responsibility in a novel way and provided an empirically based definition. Secondly, the method used for this research has extended the application of personal construct theory to new areas of study, particularly by embodying repertory grid technique. There is little literature in construct theory which is of relevance to management education and this study has helped to close this gap.

CONTENTS

Page

Abstract
List of Contents
List of Figures
List of Tables
Acknowledgements
Dedication

Chapter One

Background to and importance of this research

1.0	Introduction	1
1.1	The Need for Professional Managers	1
1.2	Social Objectives of Education	3
1.3	Defining Economic Growth	6
1.4	Planning for Growth in India	6
1.5	Modernisation and the "free-market" assertion	7
1.6	Influences on Education	9
1.7	Management Education	12
1.8	Indian Institutes of Management	13
1.9	Curricula of the IIMs	15
1.10	Placement of Graduates	17
1.11	Who Pays	18
1.12	Who Benefits	21
1.13	Evaluation of Management Education	24
1.14	Economics of Education	26
1.15	Human Capital	26
1.16	Returns to Education	27
1.17	The simple correlation	27
1.18	The residual approach	28
1.19	Other forms of evaluation studies	28
1.20	A new approach to evaluating management education	30
	References and Bibliography	33
	Appendix	
1.A	Management Education Institutions in India	328
1.B	Curricula at the IIMs in Ahmedabad & Bangalore	329

Chapter Two

Social Responsibility

2.0	Introduction	41
2.1	Defining Social Responsibility (SR)	41
2.2	Hands Off	42
2.3	Hands On	44
2.4	Origins and History of SR	47
2.5	Teaching SR	53
2.6	Measuring SR	58
2.7	Quantifying SR	59
2.8	Operationalising SR	61
2.9	Redefining SR	63

	References and Bibliography	66
--	-----------------------------	----

Appendix

2.A	Questionnaire used by Berkowitz and Lutterman	330
-----	---	-----

Chapter Three

Personal Construct Theory

3.0	Introduction to Personal Construct Theory	72
3.1.	Philosophy of Personal Constructs	72
3.2	The Fundamental Postulate and the eleven corollaries	75
3.3	Construction	77
3.4	Individuality	78
3.5	Organisation	78
3.6	Dichotomy	79
3.7	Choice	80
3.8	Range	82
3.9	Experience	82
3.10	Modulation	83
3.11	Fragmentation	84
3.12	Commonality	86
3.13	Sociality	86
3.14	Discussions of Construct Theory	88
3.15	Emotions and Responses to changes in core constructs	89
3.16	Typologies of Constructs	91
3.17	Developments in Construct Theory	93
3.18	Relevance of Personal Construct Theory to this study	95

	References and Bibliography	97
--	-----------------------------	----

Chapter Four

Social Origins and career orientations

4.0	Methods of classification	103
4.1	Social Origins of MBAs in India and Europe	103
4.2	Household Incomes of Indian MBAS' families	104
4.3	Socio-Professional origins of European MBAs	105
4.4	Indian entry requirements	107
4.5	European entry requirements	107
4.6	School and University backgrounds of British MBAs	108
4.7	Sumary of social origins	110
4.8	Why people go to Business Schools	111
4.9	Career Anchors	112
4.10	Development of a Career Anchor	114
4.11	Origins of career anchors	114
4.12	Types of anchors	115
4.13	Anchors of relevance to this study	118
4.14	How socially relevant do Indian MBAs think their work is ?	125
4.15	Summary of social origins and career anchors	126
	References	128

Chapter Five

Thesis Objectives

5.0	Structure of this chapter	131
5.1	Drawing together the disparate parts	131
5.2	The aim of the study	134
5.3	Classification by Social Origins	134
5.4	Occupational Attainment	134
5.5	Employment and Occupation	135
5.6	Career Anchors	135
5.7	Atitudes to Social Responsibility	136
5.8	Socially Responsible activities of Managers and their Organisations	138
5.9	How managers construe the social repsonsibility of their organisations	139
5.10	How managers construe individual social responsibility	140
5.11	Grid Analysis Package	142
	Flow Chart	133
	References	144

Chapter Six

Methodology

6.0	Definition of research methodology	145
6.1	Five types of research	148
6.2	Stages in a normal programme of evaluation research	148
6.3	The sample selection	149
6.4	Hazards of sample selection	150
6.5	The period of study	152
6.6	Pilot study	152
6.7	Objectives of the pilot study	152
6.8	Interviews with the faculty	153
6.9	Interviews with alumni	154
6.10	Internal working papers	156
6.11	Pilot repertory grid	157
6.12	Research Instruments	158
6.13	Social Origins, employment and occupation	159
6.14	Career orientation	162
6.15	Socially responsible activities; the firm and the individual	163
6.16	Social responsibility attitudes	164
6.17	Repertory Grid Technique	165
6.18	Design of Repertory Grids	167
6.19	Choice of elements and constructs	169
6.20	Generating constructs	171
6.21	Own versus Provided Constructs	172
6.22	Semantic Differential	174
6.23	Reliability or consistency of repertory grids	174
6.24	Data collection in developing countries	175
6.25	Methods of Analysis	176
6.26	Limitations of the study	178
	References	180
	Appendices	
6.A	Questionnaire; social origins, employment and occupations of respondents and their parents	331
6.B	Questionnaire to determine the social responsibility of managers	332
6.C	Career Orientations Inventory	333
6.D	Repertory Grid; Corporate Responsibility	334
6.E	Repertory Grid; Individual Responsibility	335

Chapter Seven

Results 1; Social Origins, employment and occupation

7.0	Introduction	183
7.1	Parents' education	183
7.2	Parents' occupations	184
7.3	Early education of respondents	185
7.4	Higher education of respondents	186
7.5	Possible reason for parity of job seniority	189
7.6	Career progression of respondents	190
7.7	Sectors of employment	192
7.8	Activities of firms for which MBAs work	195
7.9	Matching MBAs and non-MBAs; Occupation and seniority	197
7.10	Earnings and Benefits in kind of MBAs and non-MBAs	199
7.11	Career Anchors of current graduates	203
7.12	Career Anchors of MBAs and non-MBAs	205
7.13	Shared Career Anchors	208
7.14	Cross-cultural comparison of anchors	211
7.15	Conclusion	213
	References	215

Appendix

7.A	Data of fathers' level of seniority	336
-----	-------------------------------------	-----

Chapter Eight

Results 2; Social Responsibility, Attitudes and Activities

8.0	Introduction	216
8.1	Attitudes to social responsibility	216
8.2	SR in terms of individual activity	224
8.3	SR in terms of corporate activity	232
8.4	Conclusions	237
	References	238

Chapter Nine
Results 3; Repertory Grid
Corporate Social Responsibility

	key to constructs and elements	239
9.0	Introduction	240
9.1	Corporate Responsibilities : Adela Program	240
9.2	Grid Analysis Package: Series Program	251
9.3	The Elements, who they are & implications	255
9.4	Principal component analysis : Ingrid Program	262
9.5	Conclusions	269
	References	271
	Appendix	
9.A	Data to determine Angular Distances	337

Chapter Ten
Results 4; Repertory Grid
Individual Social Responsibility

10.0	Introduction	272
10.1	Comparing MBAs and non-MBAs' SR	273
10.2	MBAs and non-MBAs construe SR similarly	274
10.3	Predicting future behaviour in terms of SR	274
10.4	Interpersonal skills, at work, with family and friends	275
10.5	Integrity and honesty	277
10.6	Caring and consideration for people	278
10.7	Work ethic	279
10.8	Concern with Intellectual development	280
10.9	Egocentric	282
10.10	SR as Generalisations	283
10.11	Helpfulness	284
10.12	Social responsibility and concerns	285
10.13	Variety of Constructs used by respondents	287
10.14	Proportion of thoughts about SR explained by Constructs	288
10.15	Constructs of People in the Public Sector	290
10.16	Analysis of the elements used by the respondents to generate the constructs used for defining SR	293
10.17	Distances between elements	295
	References	303
	Appendix	
10.A	Ravi Mathai	338

Chapter Eleven
Summary of results and discussions

11.0	Introduction	304
11.1	Personal construct theory and Repertory grid	304
11.2	The Fundamental Postulate	305
11.3	The eleven corollaries	306
11.4	Research design and data collection	306
11.5	Data analysis and exploration	308
11.6	Explanation of results	310
11.7	Repertory grid technique	312
11.8	Defining social responsibility	313
11.9	Social relevance of postgraduate management education	316
11.10	Social origins and placements	316
11.11	Career orientation	318
11.12	Corporate responsibilities	319
11.13	Individual responsibilities	320
11.14	Areas of further research	321
11.15	Construing a need for change	324
	References	327

List of Figures

1.0	Effects of education on income	2
1.1	Trends towards modernisation in the budgets	8

Mental maps of Angular Distances of other
constructs from:

9.0	Construct 1; Professionally managed	245
9.1	Construct 7; Benefits to India	247
9.2	Construct 8; Benefits widespread	249

Consensus mental maps, relating to
elements and constructs:

9.3	Principal Components of MBAs	263
9.4	Principal Components of non-MBAs	266

List of Tables

1.0	Progress in education	5
1.1	Outlays on education in the 6th Five Year Plan	11
1.2	Levels of adult literacy	12
1.3	IIM graduates compared to the national stock	14
1.4	Placements in the private and public sectors	17
1.5	Operating expenses and revenues	18
1.6	Sources of Revenue for the Government of India	20
2.0	Comparison of management values	51
2.1	Social responsibility scale to summarize the literature review	65
4.0	Monthly household incomes	104
4.1	Socio-professional origins of European MBAs in terms of their fathers	106
4.2	Types of schools attended by British alumni	109
4.3	Types of Universities attended by alumni	109
7.0	Parents' Education	183
7.1	Occupational seniority of parents	184
7.2	Type of Schools	186
7.3	Types of University	187
7.4	Choice of subjects at University	188
7.5	Additional qualifications	189
7.6	Year of graduation from first degree	190
7.7	Sectors of employment of alumni and the sample	192
7.8	Industry activities	195
7.9	Occupations of respondents	197
7.10	Levels of seniority	198
7.11	Earnings of MBAs and non-MBAs	200

7.12	Total pay including the value of benefits in kind	202
7.13	Career orientations of second year students at the IIM-B	203
7.14	Mean and standard deviation of the scores	204
7.15	Career Anchors of MBAs and non-MBAs; Respondents with single anchors	205
7.16	Rank order - single anchors of MBAs and non-MBAs	207
7.17	Shared career anchors	208
7.18	Combining the shared anchors to the single anchors	211
7.19	Comparison of respondents, IIM students and the alumni of M.I.T	211
8.0	Social Responsibility attitudes of Indian Managers	217
8.1	Individuals' participation in social activities	224
8.2	Social policies and activities of employing organisations	233
9.0	Principal Components Analysis	241
9.1	Accumulated variation and rank order of constructs	242
9.2	Clusters of "good" and "bad" constructs	250
9.3	Construing "good" and "bad" constructs and elements	252
9.4	Organisations most frequently used to fit to the role sheets	256
10.0	Most frequently used constructs of Social Responsibility	273

Acknowledgements

This thesis would not have been possible without all those people who so patiently answered my questions. I owe a great deal to them, as well as to a number of friends who provided stimulation or argument depending on the assertion I was trying to make.

Professor Malcolm Harper, my academic mentor helped a great deal to shape this thesis and I have enjoyed the stimulation and debate a great deal. In return (as there is no such thing as a free lunch !) I give him my sincere gratitude. As the thesis neared the end, Professor Roy Hill, at Silsoe College provided encouragement and "time" to complete the writing-up and to him I owe sincere thanks.

The study was carried out in India. This would have been much harder had it not been for the help provided by senior academic staff at the Indian Institutes of Management in Bangalore and Ahmedabad, particularly Professors S.S.Murthy, G.K.Valecha and Pradip Khandwalla. I had to spend considerable time in Delhi and Bombay and needed practical help with accomodation. My friend Nazir Hoosein helped with this need and I thank him sincerely. Friendly guidance and assistance was given by a large number of people at Cranfield; the research committee and many academic staff for keeping me on course, the staff in the management library, computer studio and the main computer centre all of whose help will always be recalled with gratitude.

Writing-up can be a lonely process, however Dr. Paul Dainty at Cranfield and Dr. Mike Smith at Manchester were kind enough to read parts of the manuscript and provided valuable comments prior to submission of the thesis. My friend Dr. Ramachandran, a fellow student for a time, must receive special mention for discussing the issues raised in this thesis and providing vast quantities of coffee late into the night, whenever I stayed with him at Cranfield.

My special thanks go to my wife who encouraged and supported this intellectual indulgence.

Although I have received help from a number of people, any faults or errors remaining in the thesis are entirely my own.

DEDICATION

To my parents, who made it all possible

and

To my son Rajesh, who represents the future

Chapter One

Background to and importance of this research

"...morally we cannot go on imposing a tax on the poor and the stupid in order to increase the wealth of the intelligent". (Vaizey, 1962)

1.0 Introduction

This chapter examines the need for management education in a poor country, particularly within the dichotomous framework of modernisation and equity of distribution. India invests considerable resources in higher education to supply the "modern sector" with skilled manpower. However, if the ultimate aim of this education is for the wider benefit of society, it is necessary to evaluate the investment from the societal viewpoint. Through the discussions in this chapter it becomes evident that the existing methodologies of evaluation are inadequate, creating a need for a novel approach to examining the role of management education in development. There are a number of diverse issues which need to be considered and a background to the development of management and management education in India will help with a better understanding of the issues.

1.1 The Need For Professional Managers

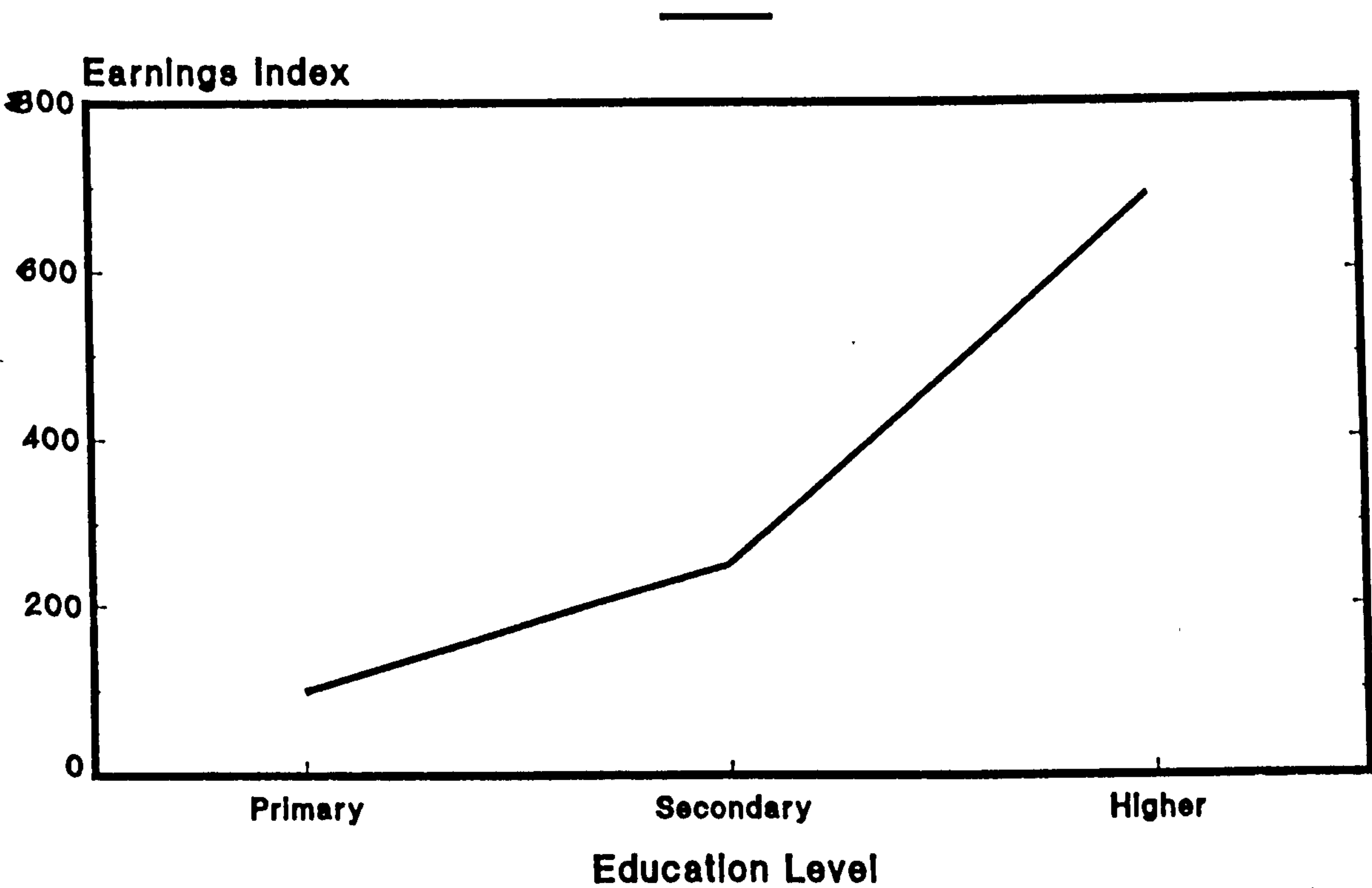
India has pursued policies of modernisation in order to create wealth and within forty years it has become one of the top dozen industrial countries in the world. This success has been achieved through planned strategies of import substitution and the protection of infant industries (Chenery et al, 1979). The framework for the policies has been provided by the Five Year Plans of the government of India, which set out the objectives, priorities, budgets and targets for the country as a whole.

The early five year plans gave priority to the development of infrastructure and heavy industry by the public sector. The private sector in the meantime was allowed, through a system of licences, to manufacture consumer goods. This sector was initially made up of large trading families (Timberg, 1978) with the resources to enter manufacturing. India's progress towards increased consumer spending and competition in the private sector has encouraged improvements in a variety of ways, including the products, management skills, industrial relations and manufacturing technology. The drift from the family owned and controlled enterprises of the early days to a more competitive industry and the growth of the public sectors has created a need for well trained managers (Agarwala, 1964).

The need for trained managers may be identified from the point of view of three main interest groups. First, as noted above, firms need professional managers. Secondly, the population in general calls for increases in higher education because they can see opportunities and higher rewards in the private industrial sector. This demand is demonstrated by figure 1.0 below. The third "stakeholder" in management education is the government which hopes to improve the socio-economic development of the country.

The Effect of Education on Income from employment in Developing Countries

Figure 1.0



Source: Pascharopoulos, 1980

Poor countries invest in management education in order to improve the ability to use scarce resources. Harper (1980) says for example:

"Poverty or shortage of resources, does not however completely explain the condition of underdevelopment. Whether one points to marginal capital output ratios or dramatic anecdotes of profligacy and waste, it is clear that the available resources are rarely used in the most effective way.....management in a developing country is therefore more complex and more demanding than elsewhere, but the need for better management and more effective managers is a matter of life and death for millions rather than marginal improvement in already abundant lifestyles" (p156).

In India, the government's commitment to postgraduate management education, as one source of trained managers, is exemplified by the extensive support (discussed in paragraph 1.12 below) for the Indian Institutes of Management.

As a result of these demands, there has been a major growth in the number of Institutions offering postgraduate management education in India (Appendix 1A) the lead being provided by three established Indian Institutes of Management, a fourth having started in 1984 (Government of India, 7th. Plan, 1985). The IIMs have been charged with the responsibility of providing India with well trained managers for the modernisation needs of the country at the same time as making the managers socially aware so that the decisions they make will be of widespread benefit.

1.2 Social Objectives Of Education

This latter objective is explicit in the way that education is perceived by the Planning Commission;

"The resolution of the National Policy on Education adopted in 1968 pointed out that the great leaders of the Indian freedom movement realised the fundamental role of education and, throughout the nation's struggle for independence, stressed the unique significance of education for national development."

The resolution further declared:

- (i) a transformation of the system to relate it more closely to the life of the people;
- (ii) a continuous effort to expand educational opportunity;

- (iii) a sustained and intensive effort to raise the quality of education at all levels;
- (iv) an emphasis on the development of science and technology; and
- (v) the cultivation of moral and social values.

According to the Resolution, the educational system must produce young men and women of character and ability, committed to national service and development. (GOI, 7th Plan, p254)

The desire for a balance between the modern sector and the need for equity is a recurring theme in the five year plans and emphasis is drawn to this objective in the various sectors. With the development of science and technology, the policy makers have said:

"For sustaining the thrust towards emergence of an industrialising economy with rising levels of scientific and technological maturity and self-reliance, a major effort in science and technology is clearly called for. The per capita income and quality of life that a nation enjoys is, in the final analysis, dependent largely on the technology it adopts, and which in turn has to be appropriate to its endowments, resources and skills" (GOI, Op. Cit., p352).

However, the planners acknowledge the preference which scientists have for the modern sector, perhaps neglecting the traditional rural sectors of the economy as they go on to say;

"...Positive policy directives will have to be given at the highest level, as it is necessary to bring about a change in the value system and ethos of the scientific community, so that the work relating to rural development will be considered as important as basic scientific and industrial research.." (GOI, op cit p361)

The theme of social relevance is also found in the objectives laid out for various levels of education:

"The role of the teacher is most crucial in achieving universal elementary education, especially in the motivation of children as well as their parents. They can play a leading role in improving the quality of primary education, bringing in environment, health and value orientation...." (GOI, Op Cit p256)

On the subject of higher education and the teacher training needs, the planners regard these as areas requiring special attention in the 7th Plan.

"The faculty improvement programmes will be designed to impart knowledge of new methods and techniques of teaching, learning and evaluation, and to develop a national value system, and to prepare the teachers for the task of restructuring undergraduate courses" (op cit p259)

In the desire for educational expansion, the most readily provided index is the quantitative success of education in India.

Table 1.0

Progress in education, 1951 (actual) to 1984/85 (estimated)

Index	1951	1984
No.of Institutions	231,000	755,000
Total enrolment	24,000,000	132,000,000
Educated manpower	4,000,000	48,000,000
Postgrad.enrolment	20,000	300,000
Science subject enrolment	4,400	73,000
Expenditure (Rupees,Crores)	114	6,000

+++++

Source: GOI 7th Plan, 1985, p 252.

+++++

These figures demonstrate quantitative improvements in the supply of education, but the backlogs persist with 63% of the population continuing to be illiterate (GOI, 7th Plan, 1985) so that although India may have succeeded with industrialisation, its realisation of equality and justice lags behind as India continues to be among the ten poorest countries in the world (Kakwani, 1980). Further, there does not appear to be any data on the success or failure in achieving the social value systems which the Government planners feel are such major requirements in India.

There could be many reasons for this success in industrialisation and failure in meeting the social objectives, however, the planners have stated throughout that the future of the country depends on the correct values and social orientations of the decision makers. The decisions made in industries have major effects on the country, so it is important to understand the values and orientations of the managers in industry.

Within this broad context of education and objectives in India, the Indian Institutes of Management, exemplify the drive for modernisation. Since they have been formulated

under the Five Year Plans of India and acknowledge the need for social relevance, the Institutions are worthy of study. A definition of the IIMs and their objectives are considered below; the next section which lays out some of the theories and orientations which have lead to the forms of education available in India at present.

1.3 Defining Economic Growth

A country committed to modernisation as a means of achieving growth and working under the assumption that such policies eventually lead to a wider distribution of benefits will have to invest in forms of education suited to the modern sector (Harbison and Myers, 1964). This assumption has been based on the widely accepted definition of growth initially presented by Kuznets in the late 1950s (Supple, 1963):

"Economic growth is concerned with the provision of goods needed to satisfy human wants, individual and collective...and when population and therefore labour force are increasing..rises in output per labour unit is only possible through ..the application of modern scientific knowledge". In 1971 Kuznets defined growth as a "long term rise in the capacity to supply increasingly diverse economic goods to its population..based on advancing technology and the institutional and ideological adjustments that it demands" (1973). However, Kuznets recognises that by the term "population" he means only a third of the peoples of the world, because this is the extent to which the benefits of modernisation has spread.

The process of modernisation was influenced by early economic theories and the orientation of the planners who devised the five year plans. These theories and the orientations are explored briefly.

1.4 Planning for growth in India

The orientation of the planners has been affected by their experiences in the pre-independence era and the subsequent thinking in economics. Nehru was greatly impressed by Russia's apparent success in the 1930s, when it seemed to be making impressive progress through modernisation of its industries. The concepts of central planning also originated at that time (Nehru, 1947). Following independence, when many economists were involved in the restructuring of Europe, it was generally felt that the economic history of Europe would be repeated in the poor countries if certain policies were pursued. The most influential work is probably that of W.W.Rostow (1971) who developed the Life Stages Theory, which states that countries move through five stages in the course of economic development, these being;

From a traditional society, to preconditions for take-off through to take-off. The next stage is the drive to maturity and is followed by the age of high mass consumption. The fifth stage is called "beyond consumption". Rostow based his theory on observations of the growth of several countries which had experienced the industrial revolution.

Another economist, Lewis (1966) put forward the concept of the dual economy, in which there was to be a modern sector, encouraged to grow more rapidly so that a richer group was created. This assumed that the richer group would generate savings in the economy thereby creating funds for investment, with benefits spilling over to the other sectors of society.

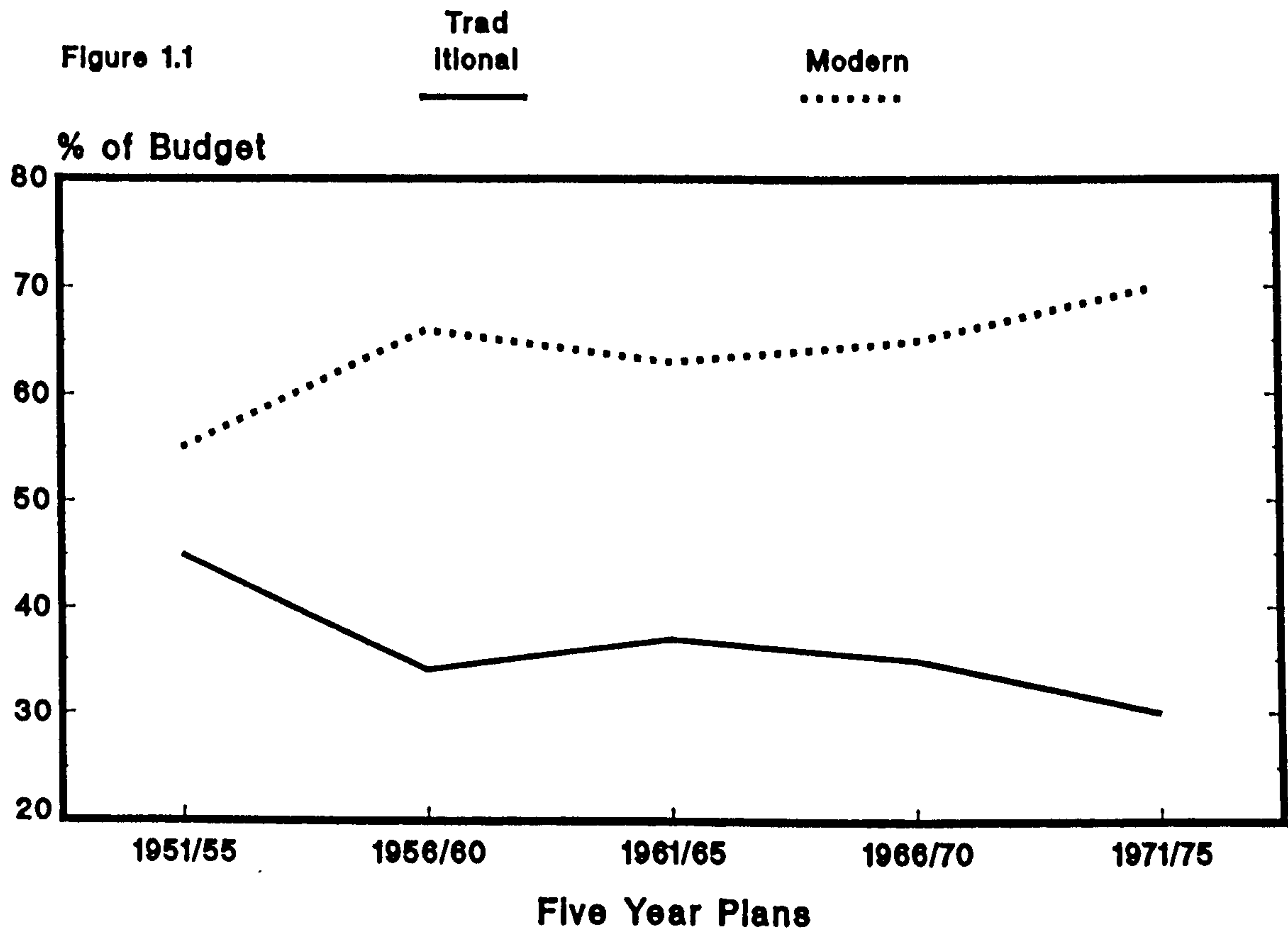
Both of these theories can be seen to have influenced India's planners because according to Agarwala (1964) there was a push for "take-off" in the mid to late 1950s and certainly the majority of the budgets in the five year plans was given over to the modern sectors. Figure 1.1 below demonstrates the extent and direction of the plans for modernisation.

1.5 Modernisation and the "free-market" assertion

The above mentioned theories of modernisation are based on the basic "free-market" assertion, which is that; all a government has to do is create an environment in which people can invest and work. In such an environment people will act in their own self-interest and such activity will lead to economic development thus creating social benefits for all. This has been acknowledged "wisdom" in India, where the private sector has been allowed some freedom to pursue its own market lead objectives (Agrawala, Op.Cit) and there is considerable evidence to demonstrate the success of the basic "free-market" assumption (Chenery, Op.Cit).

However, there is evidence to suggest that the deired spill-over effects have not been achieved. The distribution of income is, even after thirty years of economic development, concentrated in limited social groups (Kakwani, 1980). Other economists (Myrdal, 1966, Kuznets, 1973) have argued, with the help of empirical evidence, that it is not possible to provide large scale social benefits unless one includes the majority of the population in the process of economic development. The notion of freedom of choice, through the resultant process of modernisation has been amply demonstrated, by these researchers to have aided a concentration of economic benefits rather than the creation of equitable re-distribution.

**% of Budget allocation in the modern
and Traditional Sectors in India's Five Year Plans**



Source: Compiled from data in B.Prasad, 1983

It is this acknowledged failure, or indeed difficulty, which prompts the Government of India to repeat throughout the Five Year Plans that modernisation must be accompanied by processes to aid equity and social development. The *raison d'être* of the Plans is to create the linkages between the modern sectors (with the implied free-market assumption) and social development. One of the ways to achieve this linkage is through the provision of relevant education and it was demonstrated in paragraph 1.1 that postgraduate management education may meet this need.

Therefore this thesis is based on the assumption that self-interest cannot create large scale social benefits and concurs with the views in the Five Year Plans that there needs to be specific effort to assist social development.

Many elements of the modern sector do of course benefit all segments of society, particularly the infrastructure investments such as irrigation, flood control, power, roads and so forth. Although they do not create large amounts of employment they do provide long term benefits for a country (B.Prasad,1983)

It becomes apparent from the drive to modernise India, that a highly literate and skilled manpower is required to implement the plans and aspirations. This was recognised in the Five Year Plans and provisions were made for higher education. Some of the influences which shaped the education policies are discussed next.

1.6 Influences on education

The need for education in general has already been stated and there has been a general explosion in the quantity of education, not just in India but in most poor countries (Todaro,1977). In India the growth of education has been influenced by several factors. The first is the religious or caste structures and secondly the decisions taken in the pre-independence era which still affect people today. Further, the data base of the original census was inaccurate both in terms of the stock of manpower and the forecasts of population increase. Finally, the orientation of the planners tended towards modernisation.

Religion and caste prejudices are blamed for creating biases in the people, both for what is learnt and how it is learnt. In both Islam and Hinduism, the teaching of religion has been by rote and it is felt that this system has permeated other forms of education (Myrdal,1966). While this may have been the case many years ago and originated as a system due to low levels of literacy, the continuation of learning by rote now is more due to the pressures of numbers in the class room. Teachers faced with large numbers of students in the class do not have time to engage in discussions.

Further, due to shortages of resources, such as books, writing paper and so forth, there are few alternatives to this method of learning.

The second factor to affect the education system in India is the legacy of the decisions taken in the pre-independence era. At the tertiary level, Universities were established in the major cities and these were geared to supplying the needs of the civil service. The Universities and the courses were designed by people who had been to Oxford and Cambridge and therefore reflected the directions and methods of those Institutions. The preferences of the planners was towards the liberal arts. Liberal arts degrees were also the necessary qualification for certain jobs in the civil service. Apparently, whenever such qualifications were notified publicly, applications for University places for relevant courses would rise dramatically (Crane,1971).

In addition to the liberal arts subjects, there were courses in medicine, in order to train local people for junior positions. The other functions which created demands for trained personnel were the Public Works Departments, the railways and to a small extent British manufacturing firms, which initially brought in all the managers from Britain. However, with the outbreak of the first world war it became necessary to train local staff for management (Fieldhouse,1978). Training was generally achieved through apprenticeships and technical drawing classes, the latter often including free-hand drawing. Technical education in India was generally growing with the process of industrialisation, but it was not clear whether it was a primary condition of industrialisation, perhaps because a large proportion of technical engineers and supervisory posts remained in European hands (Crane,1971). The courses, methods and orientations were transplants from upper class Britain and the elite rulers were repeating their own experiences in India.

The planners were working with the two major influences discussed above when they began their planning. They also had another major factor to contend with. One of the purposes of increased education is the provision of trained manpower for the modernisation of the country. It seems that the original statistics which the planners had from the census figures of the 1950s had underestimated the actual stock of manpower and the subsequent growth rate of population. These combined to prevent the planners from meeting their objectives (Prasad,1983) and resulted in growing numbers of educated unemployed.

The dilemma, for poor countries, is whether to invest in widespread literacy programmes, adult education or tertiary education. Other conflicting demands are for either training more teachers or building more schools. Planners have to

make certain choices, some of which have been criticised on the grounds that government policies and the educators of the developing countries have acquiesced in the desire to seek easy prestige, thereby unthinkingly imitating the trends of the rich countries (Bhagwati,1966).

The imbalances resulting from the above mentioned influences created another set of problems. First there was an ever increasing demand for expansion of education, so that there was little time or opportunity to consider the relevance of the education and the quality suffered at the expense of the quantitative expansion (Myrdal,1966). Secondly the pressure of the educated unemployed and the legacy of gearing jobs to academic qualifications resulted in a phenomenon called the "Diploma Disease" which is the desire to seek ever higher levels of qualifications in order to secure jobs (Dore,1976) The emphasis on the modern sector is consistent with the stated objective of modernisation, as these policies are based on the assumption that the benefits will trickle down to the other poorer sectors. The table below (1.1) shows the outlays on education in the sixth five year plan (1980-1985) and the emphasis on modernisation is clear from the grouping of items 2,4 and 9 which are oriented to industrial needs.

Table 1.1

Outlays on education in the sixth 5 Year Plan (1980-85)

+++++

Type of education

Rupees

% of total

(Crores)

1.	Early childhood	905.37	35.8
2.	Secondary schooling	398.01	15.7
3.	Teacher training	22.00	0.9
4.	University and higher ed.	485.75	19.2
5.	Adult education	128.00	5.0
6.	Physical,sports,games	93.54	3.8
7.	Other	129.56	5.2
8.	Art and culture	83.90	3.3
9.	Technical	277.61	11.1
		-----	-----
		2524.00	100.0
		=====	=====

+++++

Source: GOI, 6th Five Year plan.

+++++

Although one of the major criticisms made in the sixth five year plan is that the rapid growth of education in the past had compromised the quality and in some cases the relevance of the material taught (Government of India, 1981), it can be seen that the problem still does not receive priority as the budget for teacher training is minimal. Although the qualitative aspects of India's education are debated, the

index of growth in adult literacy does indicate major quantitative progress.

Table 1.2
Literacy rates among Scheduled Castes/Scheduled Tribes and the rest of the population (percentage).

+++++						
Rest of the Population			Scheduled Castes		Scheduled Tribes	

	Male	Female	Male	Female	Male	Female
1961	27.86	16.59	10.27	3.29	8.53	3.16
1971	33.80	17.11	14.67	6.44	11.30	4.85
1981	41.22	29.51	21.38	10.93	16.35	8.04
+++++						

Source: Table 15.3,GOI 7th Plan,1985 p330

Scheduled castes and scheduled tribes describe a group of people in India who have been economically and socially deprived and the government has long recognised the need and urgency to help these sections of the population in order to bring about equity.

+++++

However, in the midst of the increased supply of education, particularly for the modern sectors, centres of excellence were created for science and technology, through the Indian Institutes of Technology. The IITs were to provide industry with a highly skilled technical manpower. Alongside the growth of these Institutions, the IIMs were established in the early 1960s to meet the management needs of the country. The growth of management education is considered next.

1.7 Management Education

The Indian Institutes of Management were founded in the early 1960s to meet the growing demands for professionally trained managers. Modern industry requires certain working practices, routines, market structures, institutions and professionalised management. In addition the move from an entrepreneurial to a professional style of management creates a demand for trained managers. The model of management education adopted by the two founding IIMs at Calcutta in the east and Ahmedabad in the west of India was the postgraduate "Master of Business Administration" degree (MBA).

1.8 Indian Institutes of Management

There are three established Institutes at Ahmedabad, Bangalore and Calcutta. A fourth Institute has come up in Lukhnow but does not form part of this study. The IIMs do not hold a University status and therefore cannot award the MBA degree, issuing instead a postgraduate diploma in management. The course leading to this diploma is modelled on the MBA programme and is called the postgraduate programme (PGP).

The IIMs were conceived during the formulation of the second five year plan and the first IIM was formally established in Calcutta in 1961. IIM-C was set up in collaboration with the Sloane School of Management of the Massachusetts Institute of Technology. The IIM in Ahmedabad (IIM-A) was established in 1963 with collaboration from Harvard Business School. In the early years of the formation, there was a considerable flow of management educators to and from America. As a part of the continuing growth of the demands for management education, a third IIM was established in Bangalore in 1974.

The PGP is run over two years with slight differences in the pedagogy of the three IIMs. At Ahmedabad the teaching is achieved largely through case studies, IIM-C is biased towards quantitative subjects and relies largely on lecture style teaching while the IIM-B claims to be somewhere in between (Faculty Interviews, 1983). The issue of the quality of the PGP may be covered from three directions. First, the entry process of the IIMs is highly competitive, using a three stage selection method.

Preliminary screening is based on academic standards. The demands are quite high in terms of the grades required from the undergraduate degrees. This is followed by a "Common Admission Test" based on the Graduate Management Admission Test (GMAT) which seeks to establish skills in numeracy, English and the ability for quick thinking under time pressure. The candidates with the highest scores from the admission test and with the best suited degrees are invited to interviews, from which the offers of places go out. The admissions process was coping with 25,000 applications for about 500 places in 1984 (Apte, 1984). The admission process therefore admits only the most competent students onto the course.

The second aspect regarding the quality is that it may be compared internationally with some of the better Business Schools in Europe and America, because of similar teaching methods and materials. In addition, over half the faculty have degrees from America and Europe (IIM-B Campus Recruitment, 1984) so that they are able to duplicate similar standards and approaches in to the Indian context.

The third determinant of quality is with regard to placement of the graduates. Industry is willing to pay premiums for the graduates and virtually all the graduates receive three or more offers before they leave the course. As a matter of policy the IIMs encourage the graduates to accept an offer from one of the first three. It is unlikely that industry would continue to recruit so vigorously unless they believed the graduates to be worthwhile. In terms of international comparison, the multinational corporations like Citibank, Bank of America, Nestle, Cheeseborough Ponds and others also recruit the IIM graduates for their management positions and pursue similar college presentations and recruitment procedures as they do in the United Kingdom (Interviews, 1984).

On these important criteria, therefore, the three Institutes are directly comparable to the "better" Business Schools which offer the MBA programmes. The terms PGP and MBA can therefore be used interchangeably for the purpose of this study.

The focus of the IIMs towards industrialisation is reflected in the recruitment of high proportions of science and engineering graduates. However, this focus has been criticised for its engineering bias, because the common admission test is quantitatively oriented and the engineering and science graduates are better able to cope with the test. Further criticism is levelled at the IIMs because the interviews are conducted in English thereby favouring the more articulate students (Business India, 1982). The implication of these biases is that the graduates are selected from a social elite. The table below illustrates the bias in favour of engineering by comparing the educational categories at the IIM in Bangalore with the national stock of manpower with higher education.

Table 1.3

IIM graduates compared to the national stock of graduates

	IIM %	National %
Engineering	70	4.1
Agriculture	3	1.4
Science	16	16.7
Arts	6	44.8
Commerce	5	16.1
Medical, education, other	0	16.9

Sources: IIM-B Recruitment booklet, 1982-1984 students, N=124
National data from GOI, 7th Plan p123, N = 48 million

It is clear from the comparison that recruitment is biased in favour of engineering graduates. Science graduates, as a proportion seem to represent the population as a whole. Arts and commerce graduates are not well represented among the IIM graduates compared to the national stock. Although there is a clear bias in favour of engineering, the IIMs do have fairly broad objectives and these are:

To provide training for young men and women for careers in management and related fields in any forum or organisation (IIM-A) and

To provide management education for the needs of industry and commerce (IIM-B)

To meet the rapidly growing needs of both private and public sector enterprises for managerial power. (IIM-C)

These objectives (Commonwealth Secretariat, 1981) acknowledge public investment in postgraduate management education and seek to provide returns through placement of graduates in those sectors of the economy where professional management can make a direct contribution to social development. We return to this point later. However, one of the major considerations in bringing about linkages between the modern sectors and social development, in terms of academic institutions is the pedagogy. The question is how, if at all, do the IIMs attempt to meet both the national and their own objectives of social relevance? The issue is dealt with briefly here.

1.9 Curricula of the IIMs

The PGP has three terms in each of the two years. The first year very largely focuses on "core" management subjects and tends to functional aspects. Appendix 1 B has a list of subjects conducted on the PGPs of the Indian Institutes of Management in Bangalore and Ahmedabad. Both institutions have introductions to the issues and priorities of Indian society; at Ahmedabad this is achieved through "Indian social and political environment", in the first year. At Bangalore the students study the same areas in the second year through subjects such as the Indian legal system, Indian economics and Indian Society. During Faculty interviews (1984) it was learnt that the IIM in Calcutta also has similar subjects, but details were not available.

The social issues have, in the past, been further explored through mandatory social involvement projects at the IIM in Bangalore. These were run during the summer break between year one and two. However, students found them irrelevant to their vocational needs and the projects have been dropped in favour of more general industrial experience in the summer breaks. At the IIM in Ahmedabad, where students are also

expected to gain summer placement, there has been a small, voluntary flow of students to social and rural projects. The objectives of these placements in the main are to afford an opportunity for the students to experience aspects of Indian social structures which they would not otherwise have. Through such experiences it is expected that graduates will be better able to adapt their decision making, as managers, for the wider benefit of Indian society.

The third opportunity for exploring and understanding the issues is provided in the second year, both through core courses and electives. At the IIM in Ahmedabad the content of the second year seems to be geared much more to the needs of the graduates than for societal requirements, with only two out of forty one electives dealing with social issues (Public Enterprise Management and Management of Social Development Programmes).

The IIM also has a specialised programme in agriculture, where the first year is common with the main PGP. Therefore those students who have selected to go into agriculture explore social issues in greater detail. They have subjects like; Rural environment and social change, Agricultural Development Policies, Forest Resource Management and Rural energy.

At the IIM in Bangalore, the institution has been divided on a sectoral basis; Agriculture and Rural Development, Energy and Power, Human Settlements and Environment Studies and Transport Studies. Therefore, electives are offered from these sectors. However, it seems that at both the Institutions, the most popular electives are marketing, finance and computer applications. (Faculty Interviews, 1984).

It is clear that the IIMs do attempt to meet the need of social relevance from within their pedagogy, but the attempts seem to be tempered by functional and vocational demands of the graduates and industry, therefore identifying these two groups as the primary consumers of this form of education. This aspect is discussed again in chapter eleven in the light of results from the research. Indeed the main consumer seems to be the private sector of Indian industry so that although the IIMs hope to provide returns to society for the investment made in postgraduate management education, through the placement of graduates in the public sector, the evidence (in table 1.4 below) suggests that the majority prefer to work in the private sector.

1.10 Placement of graduates

Table 1.4

Percentage of IIM graduates placed in the private (p) and public sectors (ps)

Year	IIM-A		IIM-B		IIM-C	
	p	ps	p	ps	p	ps
1976	67	33	27	73	77	23
1977	74	26	26	74	69	31
1978	62	38	36	64	77	23
1979	86	14	41	59	91	9
1980	92	8	53	47	86	14
1981	83	17	58	42	92	8
1982	87	13	74	26	na	na

Source: Business India, 5.7.1982

There are two main observations one can make from the data above. Both the Indian Institutes of Management in Ahmedabad and Calcutta have, from their inception better satisfied the private sector rather than the public sector. The IIM in Bangalore appears to have placed the early graduates in the public sector, but subsequent placements have tended towards the private sectors.

The underlying assumption made by the commentators (Business India, 5.7.1982) in considering the placements is that people working in the public sectors are somehow more socially relevant. This assumption is reinforced by the objectives stated by the IIMs, clarified here through a quotation from the IIM-B prospectus:

"The spread of management education (1973) was confined to the limited areas of organised private business and individual activities of large scale operations. Public sector industries, public utilities and social infrastructure was largely ignored by management education. Management training as it existed aimed at the .. lucrative sector, rather than for development of entrepreneurial talent or the needs of management in public organisations.."

This objective acknowledges the public investment in postgraduate management education, although the assumption about placements in the public sectors does not take into account the possibility of any inefficiencies and one needs to consider how this form of education can provide returns to society for the investments it makes, the levels of which are discussed next.

1.11 Who Pays

There are three main forms of financing the IIMs. The public makes a contribution through the central government subsidy. Industry contributes through scholarships, grants and buying short courses and consultancy. The graduates themselves contribute to the education through fees, subsistence and opportunity costs. Since 1962, the central and state governments have contributed approximately US\$ 23.5 million towards the building and running costs of the IIMs. A further \$6.5 million has come from the Ford Foundation, mainly to train academic staff (Business India,5.7.1982). Private Indian industry has funded the IIMs to the extent of around \$3.0 million as estimated from the data given in Business India (op cit.). The annual budgets of the IIMs are exemplified by the data in the table 1.5 below:

Table 1.5
Operating expenses and revenues; IIM - A 1986 (Rs.millions)

+++++

Expenses		Activity contributions *	
Salaries and wages	15.09	Postgraduate programme	0.16
General travelling	0.22	Computer	0.32
Supplies	5.79	Student scholarships	0.16
Maintenance	0.46	Miscellaneous income	0.88
Municipal taxes	0.18	House rent	0.36
Legal expenses	0.06		-----
	-----		4.44
	21.80	Defecit; subsidised by	
	=====	central government	17.36

			21.80
			=====

* net of direct expenses against each item.

+++++

Source: K.Ramachandran, personal communication, 1987

+++++

It is evident from the data in table 1.5 that the dependence on central government funding is 80%. This contrasts with the Cranfield Institute of Technology, with its School of Management which receives just 15% of its funding from the UK government (Tombs,1986). This high degree of dependence on central funding seems ironic in a situation where the Institutions are in a better position compared to Indian Universities to earn incomes through commercial activities. However, it has been argued that the IIMs provide a resource for policy advice to the government, hence providing a return to the investment made by government.

The other two sources of funding the IIMs combine, as discussed above, to no more than 20% of the total. These sources may be interpreted through a cost per graduate on the following basis.

Upto 1982, approximately 4,500 graduates qualified through the three IIMs, so one could do a simple calculation of the cost per graduate up to the present time as:

- 1) \$ 33.0 million / 4,500 = \$7,500 per graduate in total costs.
- 2) \$ 23.5 million / 4,500 = \$5,300 per graduate in public funds

In addition the graduates incur costs of around \$330 per year including fees, accommodation, food, books and so on. Most of this expense is met by the parents, although around 25% of the students take loans up to this amount. Industry funds around 30 scholarships to cover these costs (IIM - A Bulletin). The graduates incur an opportunity cost over the period of their study. According to Pascharopoulos (1980), graduates can expect up to 6 months of unemployment, so the opportunity cost to the graduate is for the remaining 18 months of the course at an average of Rs 1,600 per month (US \$160.00) or a possible maximum of \$3,240. In view of the resultant pay increases (figure 1.0 above) which the graduates can expect and the vocational nature of management education, this opportunity cost may be regarded as an investment, for which future cash flows are expected.

The costs per MBA may be tabulated as follows: \$

Central and state subsidies	5,300
Industrial and charitable contributions	2,200
Parents' contribution	660
Opportunity costs incurred by graduates	3,240

	11,400
	=====

This contrasts with the British MBA (Forrester, 1986) who costs approximately £6,500 per year, so that on a two year programme the costs are £13,000. The level of public subsidy can vary from £5,000 to £25,000 on each graduate depending on the level of support received by the student. The opportunity costs incurred by the students can also vary considerably due to the wide age range of the graduates. It is clear in the Indian context that the main contributor to the MBA programmes is the central government, both in terms of the support since inception and on a recurring cost basis. According to Lipton (1978) the burden of providing public funds in developing countries is borne mainly by the poor, because large proportions of tax revenues are

collected through indirect taxation. The Indian situation is shown in the table below:

Table 1.6
Sources of revenue for the Government of India.

+++++		
		Total
Sources	%	%

Tax Revenues	47.0	
Non Tax revenues	13.0	
Grants	1.0	61
Public sector earnings	7.6	
Market borrowings	6.7	
Share of small savings	3.8	
Provident funds	1.6	
Capital receipts	2.7	
Negotiated loans	0.09	
Additional resource mobilisation	9.6	
Net capital inflows,from abroad	3.9	
Deficit finance	3.0	<u>39</u>
		100
+++++		
Source,GOI 7th Plan,1985 p61		
+++++		

The tax revenues are made up of corporation tax, tax on income, wealth, land revenues and agricultural income, which between them contribute 5% of the total tax revenues, (op cit. p 58) in other words, 95% of tax revenues are from indirect tax.

The Planning Commission envisages 9.6% of government revenues to come from additional resource mobilisation, which means reduction in over manning in the public sector, greater flexibility of working practices, reviews of fare and tariffs on the railways and in energy. Tighter measures to control tax avoidance through incentives in compliance and streamlining the system. Greater efforts to simplify and improve the elasticity of the indirect tax system will also be made during the 7th plan.(op cit. p56).

It is clear that the main costs of postgraduate management education are borne by society, but who benefits from this form of education ? This question is examined briefly in the section below, initially through some of the theoretical arguments of economists.

One of the early commentators on education was Adam Smith who said:

"It is not enough to leave the poor without schools: some attention of government is necessary in order to prevent the almost entire corruption and degeneracy of the great body of people..the expense is..no doubt beneficial to the whole society, and may therefore, without injustice, be defrayed by the general contribution of the whole society (Vaizey,1962,p5)"

An argument against the public funding of Universities is made by D.S.Lees (Vaizey,1962) who says that students go the University for vocational training in the hope of earning higher salaries in the future, so education is analogous to business equipment and should be financed by loans at ruling interest rates rather than through subsidies and adds;

"There would be considerable economic advantage to this procedure, and morally, we cannot go on imposing a tax on the poor and the stupid in order to increase the wealth of the intelligent".(op cit.)

Schumacher has offered a figure calculated by the Chinese that the cost of educating one graduate is the equivalent of 150 years income for a peasant (p173,1974). In the Indian context, the cost per MBA to the government has been estimated as \$5,300 and the income per head in India is \$268 (Lloyds Bank,1986) therefore the cost is equivalent to around 20 years of labour for a person earning the national average. However agrarian labour earns considerably less than the national average.

1.12 Who Benefits

The issue of social cost-benefit of education is a tricky one because there are both monetary and non-monetary components. According to Paul (1970);

"All these non-monetary components must be evaluated along with the monetary returns to obtain a complete statement of the social returns to a management education programme. It is impossible, however, in our present state of knowledge to merge the two in any single measure. Nor is it possible to assign relative weights to these different categories of returns without introducing subjective value judgements. But, fortunately for our purposes, given the nature and objectives of management education, it would appear that the monetary returns to society are the major part of the total"

Following through the argument about monetary benefits, there are three potential beneficiaries; graduates, industrial employers and society as a whole.

Graduates of the IIMs can expect premiums from industry, over and above people without the MBA for their working lives. These cash flows to the graduates are private returns on their private investments. According to Paul (op cit.) the implicit rates of return on remuneration with a constant differential is 27.5% and on a differential which reduces to zero by the by the 14th year the rate of return is 26%.

It is more difficult to measure the returns to industry as their investment in management education is inseparable from the general contributions of charitable trusts and a simple free-market assumption can deal with this problem. Since the private sector industry is willing to pay premiums for graduates of the IIMs and since the demand curves appear to be fairly inelastic, both for the education (Paul, 1970) and the offers of placements, it can be assumed that the MBAs are productive, at least to the extent of the incremental cost to industry otherwise they would not have received either the jobs or the premiums. This simple free market assumption is the true test of the value of the graduates to industry, despite numerous debates about the relevance and impact of MBAs to industry (Business India, 5.7.82, Thomas, 1984). According to Harberger (1972), Indian industry obtains approximately 13% returns on its capital investments and these decisions are attributed to the quality of decisions made by managers.

Another series of benefits, on a qualitative note, is that the selection system of the IIMs has selected some of the "brightest" young people at the tax payers' expense. In addition, the graduates receive two years of management education, so the IIMs may be perceived as a tax funded recruitment agency for industry, particularly the private sector which 80% of the graduates enter. (K. Gandhi, 1985). Finally as 80% of the graduates have science and engineering degrees they also provide a high level of technical skill to industry.

There is a slight distortion to the free - market assumption in the Indian context because the major employers are the public sector organisations which have rigid reward structures. They also pay far less than the private industries so one cannot assume that the higher salaries in the private sector necessarily imply higher productivity. Ramola et al (1981) argue that graduates employed in the public sector organisations, such as electricity, transport would be far more socially productive than their private sector colleagues employed in the luxury goods markets,

because the former sectors are undermanaged. Therefore, the higher pay may reflect a credentialist outcome rather than a productive situation.

Attention is turned instead to the needs of society, because there is little in the literature which concerns itself with this aspect of management education (see bibliography). The need for this focus is further accentuated by the relatively high level of investment in management education, which is made by society.

Society as a whole would benefit from this form of education only if one accepts the theories of post war economists and assumes that there is a spill-over effect from industry into traditional sectors. The theories of life-stages and dual economy which lead to the modernisation policies of India have been mentioned above, in paragraph 1.5. More recent literature demonstrates that these policies do not work, when equity is a goal. Kuznets, in a Nobel prize winning (1973) essay has demonstrated that even after 30 years of modernisation in many developing countries, only 30% of the world's population shares in the wealth created. In fact dualism creates wider gaps because the investments in the modern sector tend to accelerate the incomes in that sector, at the same time depriving the traditional sectors of the resources necessary to increase their incomes. (Goulet 1971, Singer 1970)

A further argument against the dual economy is found among the dependency theorists. Seers (1981) has suggested that rich countries have created a dependence on themselves by the poor countries. Most of the primary products flow from poor to rich countries as the former do not have the resources or the technology to process the raw materials. This has created situations where the purchasing countries have set the prices and volumes. Further, as the pace of technology and the sources of education are largely dominated by the rich countries, the poor nations remain dependent on the former and it is therefore not possible, according to the dependency theorists, for poor countries to actually muster the resources to put the two sector model into effect. In addition, Bhagwati (1966) has questioned the whole wisdom of copying models from "developed countries", while Bhardwaj (1982) for example, points to the inconsistency of using free-market assumptions in the development of rural areas in India where there are social and other constraints which would preclude the effective implementation of policies based on such assumptions.

Possibly the most illuminating suggestions have come from Myrdal (1966) who also rejects the two sector models and has put forward ideas to achieve sustained growth through the inclusion of the whole population (if possible) or at least the majority of the population in the attempts to generate

economic growth and subsequent social development.

Rather than benefiting from this form of education, society may be incurring a net loss as a result of structural deficiencies. Due to high unemployment in developing countries, there are increasing demands for higher education and the result of quantitative increases in the supply of education may have compromised the quality, although this does not seem to be the case with the IIMs. Perhaps the major loss to society is through the opportunity costs of providing this form of education. If one compares the teacher training budget of the sixth five year plan which has allocated the equivalent of \$22 million for the whole country over a five year period and the Ford Foundation grants of \$ 6.5 million for training a few dozen management lecturers or indeed the \$23.5 million spent on the IIMs over 25 years, the disparity becomes clearer.

Social benefits of management education may be studied through the field of economics which offers many studies on the returns to education and one of the models could be adapted to study management education (Blaug, 1968). However, it is argued that these methods are inadequate as they do not enable a study on the social relevance of management education, for which a new and different approach is required. A brief review of the alternative is provided at the end of the section and explained more fully in later chapters.

1.13 Evaluation of Management Education

Two main studies of relevance to the Indian context are by Paul (1970) former director of the Indian Institute of Management and by a group of students (Ramola et al, 1981). Both the studies are based on the rate of return approach which equates education to human capital formation. As a result of the concept, the techniques for project evaluation could be applied to education as well. In the area of social benefits, Paul separated monetary and non-monetary benefits. The main monetary benefit he calculated was the import substitution effect in the sense that management education became available in India for much lower costs than at foreign institutions. He tracked these costs both at official and shadow exchange rates and came to the conclusion that society would be making considerable savings through having an indigenous form of management education. In addition to the import substitution effects further returns are obtained through indirect and direct taxes.

Indirect taxes are paid, both in providing management education and through other goods and services which are part of future employers' activities. The graduates will be paying income tax over their lifetime earnings. However, the level of direct tax as a contribution to the total budget is

5% and the level of contribution which the graduates can make is a trivial portion of the fraction.

Based on the monetary returns, both private and social, Paul came to the conclusion that the management education programmes did provide social returns, particularly when one added the non-monetary benefits. These latter benefits, which cannot be quantified include such things as an increase in the threshold of better managers both for the organisation which employs the graduate and also for society at large which is thought to benefit from better organising and planning skills. Since education in general is thought to contribute to a better quality of life, the postgraduate management education is given part of the credit for this. An indirect benefit of the programme is that it brings a highly skilled faculty together in one place and as the faculty are available for consultation on local and national problems, they are thought to contribute to society.

The main problem with this study is that it has not addressed the social benefits in any meaningful way. The private returns to the graduates can be calculated in a monetary sense and the industrial benefits can be assumed away, but the complexity of the social benefits which includes both monetary and non - monetary aspects requires additional effort, particularly in view of the level of support provided by society.

Ramola et al. question the assumptions of Paul, with regard to the amount of elasticity of demand, the costs of foreign education, both in the numbers who might have gone abroad for education and the actual costs. The latter question is raised on the basis that many students receive foreign scholarships so there is no import substitution cost. The social benefits calculated by this group is much less than Paul's and indeed under some assumptions the returns to society appear to be negative. These economic studies have not been described in too much detail, because they fail to address one of the major objectives of the planners and policy makers which is the provision of value systems appropriate to the country while at the same time providing a professional managerial cadre for the country.

The bases for these typical studies are found in the literature of the economics of education, briefly reviewed here, while examples of other evaluation studies are listed in the bibliography.

1.14 Economics of Education.

The main area of interest, in terms of this research is whether MBA type of education makes any positive contribution to the development of the country when defined only in terms of equity and greater distribution of benefits (e.g. income). The review of the economics of education will therefore be limited to definitions and terms used in this field and some of the more relevant methods of evaluating education.

The process of industrialisation in India began with the first Five Year Plan in the early fifties, and in line with general economic thinking, it was felt that the main constraint to success was capital. However, it soon became apparent that the shortages of certain skills meant that capital could not be fully utilised. Thus grew the idea of development of human resources as one of the necessary conditions of modernisation and industrialisation (Harbison and Myers, 1964) and the concept of investment in Human Capital can be traced to Alfred Marshall (Blaug, 1968) who said;

"the most valuable of all capital is that invested in human beings".

1.15 Human Capital

Workers are seen as a produced means of production, an item of capital equipment, (Vaizey, 1962) so that a nation is required to invest in them through the provision of education and other social services. It is felt that workers are better able to assimilate new technologies and perform more productively if they have a basic level of education. If one accepts the definition of human resources as being a capital good, then the investment in education is seen as a production process to produce other goods and services. As a production process it is required to be efficient and provide appropriate returns on investment.

Much of the work in economics has gone into the evaluation of education on the assumption that it is an investment. However, it is possible to view education as a consumption good, when the benefits are derived immediately, and people value it in itself. In the broadest of terms, one might differentiate the two definitions as vocational and non-vocational education. MBA education would be considered as an investment good rather than a consumption good, as students are anticipating high returns, and firms are anticipating more productive managers.

1.16 Returns to education.

In view of the general hypothesis, that education is an investment in the human resources of a country, much work has gone into the evaluation process. The primary institutional mechanism for the development of human skills and knowledge is the formal educational system (Todaro, 1977). Therefore, all the measures one makes on the returns to education omit the informal methods of education, which include the family, the process of change which education instills, experience in the work environment and so forth.

There are four main approaches (Blaug, 1968) with variations which have been distinguished:

- * The simple correlation.
- * The residual.
- * The returns to education.
- * The forecasting-manpower-needs approach.

1.17 The simple correlation.

This approach consists of correlating some overall index of educational activity with some index of the level of economic activity. There are three main methods:

* Inter-country comparisons, where for example enrolment ratios and GNP per capita are correlated. Some positive indicators have been found in empirical studies. Anderson and Bowman (1963) found an apparent threshold effect, of something like 40% adult literacy, as a necessary but not sufficient condition of economic emergence (Blaug, 1968).

Inter-country comparisons provide the planners in the respective countries with yardsticks against which they can measure their own progress and are more useful in this context.

* Inter-temporal correlations, correlate education to GNP in the same country over time. Schultz (Blaug, p13-33, 1968) carried out a correlation of this type for the period 1900 to 1956, treating education as a consumer good. However this assumption, of education as a consumer good, creates a problem, in that the benefits of education are derived over a long period and attempting to measure the GNP of the same year in which one measures the stock of education can be misleading.

* Inter-industry and inter-firm correlations, seem to be useful indices, as they attempt to measure such factors as the proportion of the work force that has had training beyond a certain level or the percentage of gross receipts spent on research and development. One of these indices can

be used to correlate educational emphasis with the profitability of the firm or industry.

1.18 The Residual Approach

This approach consists of taking the total increase of economic output of a country over a given period of time, identifying as much of the increase as possible with measurable inputs and then attributing the residual to unspecified inputs. Because education and the advances of knowledge are thought to be the most important of the unspecified inputs they merit this approach. However, this approach is unlikely to be very useful since it would be difficult to measure management effectiveness on such a basis, when there are so many external constraints affecting management decisions (Farmer and Richman, 1956). In addition this method cannot differentiate between important qualitative factors. For example, how much of a country's progress can one attribute to general good health or to the level of education ?

1.19 Other forms of evaluation studies.

The economists have come closest to tackling the question of evaluation of education from the social perspective. Other forms of evaluation have in the main concentrated on the graduates and the needs of industry for "better" managers. These studies are typically exemplified by salary and job surveys (Orpen, 1982), many of which are done by the Business Schools for their internal consumption.

Both the United Kingdom and India imported management education following government reports, in the UK this was the Franks Commission (Griffiths and Murray, 1985). Literature on British management education focuses on evaluation of the education and attempts to forecast future needs. Consideration is given largely to the needs of industry, methods of teaching, effectiveness of managers, the integration of graduates into industry and other issues relating to careers, remuneration, job satisfaction and human resources. (Rose, 1970, Wheatcroft, 1970, Foy, 1978, Hogarth, 1979, Lupton 1980, Thomas, 1984). These issues are supplemented in the international context by considerations of teaching content and method by Kakabadse and Mukhi in their look at the future of management education (Vyakarnam, 1984). One of the main departures was made by Whitley et al. (1981) in their study of managers from the INSEAD, London and Manchester Business Schools because they shed some light on the social origins of the graduates, confirming that they were from a social elite and that MBA type education exemplified the perpetuation of social inequalities.

Whitely's work is important as a pointer to issues in India and other poor countries, because evaluation studies have not focused on the social origins of graduates and if planners are expecting an elite to make beneficial decisions for the wider public it is important to discover the origins and orientations of the elite, who in this case are the managers, hence the need to classify according to some convenient category to facilitate research about the attitudes and values they hold regarding social responsibility. A further method of classification is according to career orientations, which is based on the assumption that managers oriented to being generalists in the modern industrial sectors may be unwilling to work for the public sector where opportunities for general management are limited or carry lower rewards compared to the private sectors. These issues are examined in chapter 4.

Another approach to study the relevance of management education was taken by Farmer and Richman (1965) who examined the transferability of American management education using industrial efficiency as their index and cultural issues as their constraints. Other studies include analyses of course content and relevance. These are carried out in the Business Schools mainly to meet the needs of the students, industry as perceived by the academic staff and the current interests and strengths of the staff (IIM A Dayal, 1972). This approach may be of relevance to the transfers of management education, but not necessarily of value to researching the social responsibility of managers.

Management education and the management schools have been subject to much scrutiny around the world, mostly thorough focus on the graduate / industry interface and discussions on curricula development to meet the needs of the graduates and industry. Academics fuel this controversy by writing extensively on the need to be relevant to industry but working within the framework of a University which has its own cultural and work standards to sustain. The bibliography at the end of the chapter covers most of the recent articles on this subject.

The International Labour Office, The World Bank, European Foundation for Management Development, the Business Graduates Association have researched management education extensively and certain authors, like Kanawaty (1982) have looked at management development in the Asian and Arab countries, while Jain (1984) has tried to anticipate management education to the end of the century in Asia and Youker (1986) of the World Bank has, for example evaluated the training of African managers. These international studies are included in the bibliography and provide an entry to a vast body of literature on the evaluation of management education.

Although the authors of the reports mentioned above have to a greater or lesser extent addressed the issue of the social relevance of management education, most have addressed it either in an intellectual speculative sense or through the conceptual framework of returns to education already discussed above. None of them discusses the issue of social relevance in the sense of meeting the issue head-on, that of how managers behave in society and how they affect society through the decisions they make. Because there is not a satisfactory technique available at the moment, most researchers have skirted round the problem through the heroic assumptions required of the rate of return approach.

1.20 A New Approach to Evaluating Management Education.

It is clear from the evaluation methods described and the studies cited, that management education has not been evaluated in terms of its relevance to society. The Indian Institutes of Management and the Planning Commission have recognised the need for social relevance. At a national level therefore, the balance between modernisation and equity is a serious objective. Operationalising this objective, however, is a micro-level task which requires managers to translate the need for social relevance through the decisions they make and the work they carry out and this aspect does not seem to have been evaluated so far, except through the imputed tax methods although there are many studies about the benefits of this education to industry and to the graduates.

The methods used by economists cannot be used for evaluating the social relevance of management education, when the concern is with the types of decisions which managers make or are likely to make, because the methods do not allow for a definition of social responsibility. Although the government planners and society as a whole express a general desire for higher social values these have not been translated into meaningful definitions and action.

The next chapter, therefore seeks to review the definitions of social responsibility, in order to build a framework for evaluating management education in India. In this study, management education merely exemplifies higher education in general, because the real interest, from a national perspective is to find out how socially responsible the people who have benefitted from higher education, the so-called "educated elite" are, as they comprise a mere 6% of the population as a whole. In order to isolate a particular set of Institutions which have embodied social relevance into their objectives, graduates of the IIMs have been compared to managers at equivalent levels of seniority but without the two year postgraduate qualification of the IIMs.

With regard to measurement, the development of repertory grid technique, drawn from clinical psychology, has begun to play an important role in evaluation studies because it has become possible to understand the perceptions from the subjects' point of view rather than having to rely almost completely on the researchers' interpretations.

This particular technique has been described as an elaborate listening device (Bannister and Fransella, 1971) as a result of which it is able to probe the human mind, in terms of decision making processes. Repertory Grid elicits the way a respondent construes events, people and relationships. The respondent is asked to list a number of "elements" which might, for example, be names of people or objects. Using three elements at a time, a pair and a singleton, the respondent is asked to construe in which way the pair are similar while at the same time how the singleton might be different. The descriptions which the respondent comes up with are called the "constructs", comprising an emergent pole (from the similarity of the pair) and a contrast from the singleton. Repertory Grid Technique is derived from an elaborate theory called Personal Construct Theory, which is described in detail in chapter three; for purposes of brief introduction, it states that man will make choices based on the way he construes events around him. The implication for this study is that a person is likely to make socially responsible decisions only if the world around is perceived in such terms. Therefore if it is possible to discover the social responsibility constructs it might be possible to predict the behaviour of managers.

A start has been made in management evaluation studies, using repertory grid technique. Smith and Ashton (1975) studied management training programmes, Stewart et.al. have given examples of repertory grid applications in business (1981) while Smith (1980) has used it to evaluate some forms of management education. This study applies a completely new approach to the evaluation of management education, both in terms of the focus of the study and the methodology which has been used.

On the question of classifying the graduate managers, the work of Whitely (1981) has been used as a source of ideas. However, the classification of the graduates in India for this study needs to include the notion of career anchors (Schein, 1978). A career anchor has been defined as a self concept which a person has of how he/she chooses a career. Attitudes, values, skills and abilities guide a person to seek certain types of careers. For example technical/functional anchors would lead people towards jobs where a specialisation is needed, while managerially anchored people would look for general positions. Schein developed five anchors in his original study with 44 alumni of the Massachusetts Institute of Technology. Subsequently

other researchers have "discovered" additional anchors (Schein,1981) including service and dedication to a cause, an anchor of particular interest to this study. As mentioned above, the method of classifying managers has been discussed in chapter four.

A review of social responsibility and personal construct theory follow next.

References:

Apte P.G.; Personal interview , IIM - Bangalore, December 1984

Agarwala A.N.; Planning of Business education and research in India, Asia Publishing House, 1964.

Bhardwaj K.; Production conditions in Indian agriculture in Rural Development, Theories of a peasant economy and agrarian change, (Ed.) John Harriss, Century Hutchinson Ltd., U.K., 1982.

Blaug M. (Ed.).; Economics of Education 1, Penguin UK., 1968

Business India.; The Indian Institutes of Management. Cover feature, July 5-12, 1982.

Bhagwati J.; The economics of underdeveloped countries, Weidenfield and Nicholson, London, 1966.

Bannister D. & Fay Fransella; Inquiring Man. The theory of personal constructs, Penguin, UK., 1971.

Chenery H.B. et.al; Structural change and development policy. A World Bank research publication. Oxford University Press, UK., 1979.

Commonwealth Secretariat ; Training for public enterprise management. Directory of resources, London, 1981.

Crane R.I.; Technical education and economic development in India before World War I, in Education and economic development. (Eds.) Anderson C.A. and M.J. Bowman, F.Cass, London, 1971.

Dayal I.; Recommendations for reorganisation of IIM A Phase II. The committee for reorganisation of IIMA. Indian Institute of Management, Ahmedabad, 1972.

Dore R.; The Diploma Disease. Education, qualification and development, Unwin, UK., 1976.

Farmer R.N. & B.M. Richman; International Business. An operational theory. Cedarwood Press, Indiana, USA, 1971.

Fieldhouse D.K.; Unilever Overseas. The anatomy of a multinational, 1895-1965. Croom Helm, London, 1978.

Forrester P.G.; The British MBA, Cranfield Press, UK., 1986.

Kuznets S.; Modern economic growth: Findings and reflections. The American Economic Review, Vol.63.No.3., 1973.

Kakwani Nanak C.; Income inequality and poverty. Methods of evaluation and policy applications. Oxford University Press, 1980.

Lewis A.; Development Planning. The essentials of economic policy. Allen Unwin 1966 / 1968

Lipton M.; Why poor people stay poor. Urban bias in world development. J.W.Arrowsmith, Bristol, 1978.

Lloyds Bank ; India, Economic Report. Lloyds Bank Plc, London, 1986.

Lupton T.; Business Schools in the 1980s and beyond. Working paper series No.49. Manchester Business School, 1980.

Myrdal G.; Asian Drama I. The Penguin Press, London, 1966.

Myrdal G.; The challenge of world poverty. Vintage Books, Random House, New York, 1971.

Myrdal G.; Equity and growth. World Development 1(11) November, 1973.

Nehru J.; The discovery of India. Meridian Books, London, 1947.

Orpen C.; Effects of MBA training in management success. Journal of Business education, January, 1982.

Paul S.; An application of cost benefit analysis to management education. IIMA reprint series, Ahmedabad, India, 1970.

Pascharopoulos G.; Higher education in developing countries: A cost benefit analysis. World Bank staff working paper No.440, World Bank, Washington, 1980.

Prasad B.; Employment strategies of the Indian Five Year plans: Reasons for their failure in Employment policy in a developing country, A case study of India. Ed. Robinson A., Prasad B.R. and Deshpande L.K., Macmillan Press, London, 1983.

Ramola S. et al.; Report on the term project undertaken for the course in Economic analysis for business planning, submitted to Prof.C.Rangarajan, Indian Institute of Management, Ahmedabad, 1981.

Rose H.; Management education in the 1970s. HMSO for the National Economic Development Office, UK, 1970.

Rostow W.W.; The stages of economic growth. Cambridge University Press, second edition. UK, 1971.

Seers D. (Ed); Dependency Theory. A critical reassessment. Francis Pinter, London, 1981.

Singer H.; A new approach to the problems of dual society in developing countries. Journal of development studies, VII(I) October, 1970.

Smith M et al.; Using repertory grid technique to evaluate management training. Personnel Review, Vol.4 No.4., Autumn, 1975.

Smith M.; Applications and uses of repertory grids in management education in Advances in management education. Beck J. & C.Cox, Wiley & Sons, London, 1980.

Stewart V., Andrew Stewart and Nickie Fonda.; Business Applications of Repertory Grid. McGraw Hill, UK, 1981.

Supple B.E.; The experience of economic growth. Case studies in economic history. Random House, New York, 1963.

Timberg T.A.; The Marwaris. From traders to industrialists. Vikas Publishing House, New Delhi, 1978.

Todaro M.P.; Economics for a developing world. Longman Group, London, 1977.

Tombs F. Sir.; Pro-Vice Chancellor, Cranfield Institute of Technology. Meeting during his visit to Silsoe College. February, 1987.

Thomas A.; The value of MBA's? The fitting role of the Business Schools. Management Education and Development, p201-208, Vol 15 Part 3, Autumn 1984.

Vaizey J.; The economics of education. Faber & Faber, London, 1962.

Vyakarnam S.; Book review of The future of management education (Eds.) A. Kakabadse & S. Mukhi in Graduate Management Research, Vol 2. No 2. Winter, 1985.

Wheatcroft M.; The revolution in British management education. Pitman, UK, 1970.

Whitely R. et al.; Masters of Business? Tavistock Publications, London and New York, 1981.

Bibliography

The bibliography presented has been selected to provide diverse points of entry into the literature on management education, rather than to provide a concentration of the literature on one specific issue. A computer database search of literature was conducted in June 1983 using the Education Resource Information Centre (ERIC) facility. The following key words were used;

1. MBA for which there were 48 articles listed.
2. Master /Business /Administration, listing 20 articles.
3. Combination of both sets of key words yielded 64 articles.

A further combination of the terms "developing countries, Third World and underdeveloped countries" to the original key words showed a listing of just 7 articles. These were:

1. Orpen C.; Effects of MBA training in managerial success, Journal of Business Education, Vol 57 No.4, p152-154, January 1982.
2. Taylor M.L. (Ed); Curriculum: US Capacities, Developing Countries' needs. A study of how well U.S. Colleges and Universities are meeting the needs of students from developing countries in selected fields of science, technology, administration and social sciences. Institute of International Education, New York, USA, Conference proceedings, 1979.
3. Towl Andrew R. & Lindfors Grace V. (Eds).; Bibliography. Cases and other materials for the teaching of business administration in developing countries. South and south east Asia. Harvard University, Cambridge, Mass., USA, 1968.
4. Graduate School of Public and International Affairs; Organising Schools and Institutes of Administration. Pittsburg University, 1 June 1969. This is described as a handbook for persons engaged in planning, improving or managing programmes and operations of schools and institutes of administration which offer academic degree and non degree programmes.
5. Thiagarajan K.M. & Prahalad C.K.; Some problems in the behavioral science education of managers and management instructors in developing nations. Rochester University, N.Y., USA. Available from Clearinghouse for federal scientific and technical information, Springfield, Virginia 22151. September 1969.

6. Lauter G.P.; An investigation of the applicability of modern management processes by industrial managers in Turkey. California University, Ph.D. Thesis, 1968.

7. Murray F.T.; Multinationals in a turbulent third world: A prescription for survival. University of Michigan, USA. Human Resource Management, Vol 14 No.4, p22-24, Winter 1975.

Examples of general newspaper articles:

Buckley Steven J.; Giving managers new tools. New York Times, (USA) July 20, 1983.

Lloyd B.; Business degrees and industry: facts behind the myths. The Guardian, (UK) September 12, 1985.

Lorenz C.; Business Schools under fire. The Straits Times (Singapore) February 14, 1984.

Machwe A.; The MBA: square peg in a round hole. Business India (India) March 15-28, 1982

Sundaram A.K. & Kiron Kasbekar.; IIM Alumni survey. Special Report. Business India (India) July 19 - August 1, 1982.

The Journal "Management Today" frequently covers the subject of MBAs and management education. A selection of the articles is presented below.

Newman N.; B-Schools, The MBA credibility gap. Dec, 1981.

Scott John G.; Third World management. Jan, 1982.

Jenkins D.; Half-trained managers. May 1983.

Tait G.; Hard lessons of an MBA. July 1983.

The International Labour Organisation, Geneva and the World Bank in Washington, publish serious and diverse working papers on various aspects of management and management education. A brief selection is included here.

Abramson R. & Milan Kubr.; Management and leadership style in a management development institution. MAN DEV/30, ILO, Geneva, 1984.

Jain S.K.; Management education to the end of the century: The Asian scene. MAN DEV/31, ILO, Geneva, 1984.

Kanawaty G.; Managers' concerns in the next decade: social systems and human welfare in organisations. MAN DEV/17, ILO, Geneva, 1978.

Kanawaty G.; Management development in the Asian Arab countries. MAN DEV/23, ILO, Geneva, 1982.

Kubr M. and John Wallace.; Successes and failures in meeting the management challenge. Strategies and their implementation. World Bank Staff Working Paper No. 585, World Bank, 1983.

Paul S.; Training for Public Administrations and Management in developing countries. A review. World Bank Staff Working Paper No. 584, World Bank 1983.

Paul S.; Strategic Management of development programmes. Management Development series No.19, ILO, Geneva, 1983.

Other publications.

Business Graduates Association.; British Industry's attitudes to Business Graduates and Business Schools. Survey findings, 1971.

Chilmeran A.N.A.; The influences of the Master of Business Administration programme on participants. Ph.D. Thesis, Cranfield School of Management, 1980.

Cornwall-Jones A.T.; Education for Leadership. The International Administrative Staff Colleges. 1948-1984, Routledge & Kegan Paul plc., London 1985.

Department of Industry.; Industry, education and management. A Discussion paper. Crown copyright, 1977.

Farmer R. & Barry Richman; A model for research in comparative management. California Management Review, p55-68, winter 1964.

Forrester P.G.; A study of the practical use of the MBA. British Institute of Management, 1984.

Harbison F & Charles Myers; Management in the industrial world. McGraw Hill, New York, 1959.

Jenkins Roger L., Richard C. Reizenstein & F.G. Rodgers.; Report card on the MBA. Harvard Business Review, p20-30, September-October 1984.

Negandhi A.R. & Bernard D. Estafen.; A research model to determine the applicability of American management know-how in differing cultures and/or environments. Academy of Management Journal, Vol 8, Part 4, December 1965.

Pascharopoulos G.; Returns to education: An international comparison. American Elsevier Jossey-Bass, New York, 1973.

Youker R.; Training of African managers - some lessons from evaluation. Paper presented at the University of Lancaster conference "International Management Development: Challenges and Alternatives", 16-19 September, 1986.

Publications dealing with social issues in education:

Graves D.; Values in business studies, an overview. In The Hidden Curriculum in Business Studies, p7-14. Higher Education Foundation. Proceedings of a conference on values in Business Studies, Windsor 29.3-1.4.1982.

Robertson J.; "In thirty years time, perhaps successful management may be management which, within the constraint of economic viability contributes effectively to the personal and social development of the people and communities with whom it deals" (p17) in The Changing Expectations of Society in the next Thirty Years. Report of the first colloquim, Windsor, February 14-16 1979. Available from the European Foundation for Management Development, 20 Place Stephanie, Brussels.

Freedman R.D., C.L.Coper & S.A. Stumpf.; Management Education: Issues in Theory, Research and Practise. J.Wiley & Sons, 1982.

Chapter Two

Social Responsibility

"In the long run the only way in which genuine corporate social reform can occur is for the thinking of managers to be changed".
(Votaw,p16,1974)

2.0 Introduction

One of the problems with social responsibility (SR) is defining the term. The literature reviewed here covers several definitions of social responsibility, which in turn, have been influenced by origins, history, pedagogy and measurement of the terms. Some coverage is also given to the teaching of social responsibility and to examples of socially responsible behaviour. This chapter concludes by separating corporate and individual behaviour and a definition of social responsibility which is felt to be relevant to this research.

2.1 Defining Social Responsibility

The term, social responsibility (SR) seems to have a multitude of meanings, covering the idea of legal responsibility or liability; behaviour in an ethical sense; charitable donations; an awareness of the issues; as a synonym for legitimacy in the sense of belonging or being proper or valid (Votaw, 1973). It has also been defined as "the voluntary consideration of public social goals alongside the private economic ones" (Mintzberg, 1985, p47).

A further range of definitions has been offered in the form of the pre-occupations or goals of SR in American society and these are:

- * Eliminate poverty and provide good health
- * Equal opportunities irrespective of race, colour and sex
- * Education and training for a full and productive life in modern society
- * Ample jobs and career opportunities in all parts of society
- * Livable communities, decent housing, safe streets, pleasant environment, and so on

The goals above are fairly representative of a nation's objectives and since corporations are an integral part of society, one might expect them to get involved in achieving these objectives for reasons of enlightened self-interest (CED., in Elkins and Callaghan - 1975).

The various definitions of social responsibility discussed below are arranged on a continuum, one end of which defines the SR of firms as making a profit, first and last, while at the other end of the scale, there are agencies set up specifically as non-profit organisations working directly to alleviate poverty, hunger and other social problems. The definitions have evolved over a considerable period of time and after setting out the two ends of the continuum, the other meanings are developed through the remaining sections.

2.2 Hands Off

The major proponent of the profit objective is Milton Friedman (1975) whose parameters for discussion are corporate executives. He argues that their prime responsibility is to the owners of the business and as such it is generally to make as much profit as possible within the limits of legal and normal ethical guidelines. The view is that firms who embrace SR are puppets of the intellectual forces that have been undermining the basis of a free society and in fact businessmen who argue that firms have a responsibility to bring down unemployment, eliminate discrimination and so on, are preaching pure unadulterated socialism. The exercise of corporate SR is seen as a tax on the stakeholders of the firm, especially the shareholders, since it involves the redistribution of profit through social involvement. Friedman contends that firms are charged in society with the responsibility of making a profit and there are other institutions such as schools, hospitals and the like which have social objectives, so corporate executives should not tax the shareholders, but get on with maximising their profits and allow them the freedom of making a choice on how to spend the money. (Friedman in Elkins and Callaghan, 1975, pp41 - 46)

Another argument for the Hands Off approach is that corporations are powerless to effect significant change in society because they are part of a network of relationships which bind society together and such discretion as they have is constrained by the limits of this network. (Chamberlain, 1973). However, according to Galbraith (1973) the planning system in the USA consists of 2,000 corporations at the most and;

"In their operation they have power that transcends the market...Thus we agree that the modern corporation, either by itself or in conjunction with others, has extensive influence over its prices and its major costs. Can we doubt that it goes beyond its prices and the market to persuade its customers ?" (Op Cit. p4)

Even if one does not accept the argument that the corporation has the kind of power which Galbraith refers to, there is a flaw in Chamberlain's argument as it seems the author requires corporations to make major changes, to achieve a high degree of social involvement. However, one cannot expect private corporations to make major changes, therefore the proper goals ought to be for corporations to work toward incremental changes through the various stages of SR along a continuum and in partnership with the network in society.

Chamberlain does acknowledge that corporations do have a certain amount of discretion with regard to such factors as the location of plant, the choice of technology and various other decisions which will impact on society. Taken from his limited perspective of corporate behaviour in America, it is understandable that he feels there are limits to corporate responsibility. However, if the discussion is broadened to a world view, and particularly if one considers the influence of multinational corporations in developing countries (Moran, 1974) then Chamberlain's arguments can be rejected.

Economic development in LDCs has encouraged industrialisation because of the assumptions that corporations will have a significant and beneficial impact on society. Therefore the argument that corporations are limited in what they can achieve would amount to an apology for the technocrats who demand enormous resources on the implied promises of benefits to society. Friedman and Chamberlain have been rejected by a number of authors, whose arguments are presented below.

Irving Kristol (1970) suggests that the promise of capitalism was the good life and a good society and this promise has been subverted by the dynamics of achieving affluence and liberty. The problem it seems is that the achievement of affluence has created a bourgeoisie, in which philistinism is inherent; he quotes Frederick von Hayek who distinguishes between a free society and a just society. In the former, reward is handed out by a self-selected elite based on how they perceive the merit of other men, but the concern is that there is not a clear picture on what constitutes a just society.

Another argument is that in spite of economic progress, disparities have actually grown even within the affluent American society. Richard Parker (in Heilbroner and London, 1975) argues that the quality of life is lower for the poorer people, and that the expectations of greater wealth in the post-industrial era when people were expected to move from manual labour jobs into the new service industries has not materialised because the manual jobs have transferred into the service sectors, tasks such as cleaning, serving and so on, so there is no real growth in the wealth of the working classes. He stresses that the so-called classless society is a myth. Equality of educational opportunities have also not been achieved according to this author who found that on average the families who managed to send their children to the University of California had incomes around 50% higher than the average for all Californian families in 1966.

2.3 Hands On

Friedman's view and those of the authors below are concerned with the role of the corporation in society, rather than to what extent corporations can be socially responsible.

Sethi (1974) has asserted that a business cannot survive or even exist unless it accounts for social concerns and that separation from the economic interests of the firm from its social and political interests is impossible as there is no room for separation. However, Harvey et. al. feel there is a separation between economic goals and social goals because they say;

"In extreme, a focus on SR would be a paradigm shift in relationship between economy and society" (p6, 1984)

Powers and Vogel tend to agree with Sethi when they suggest;

"In its more sophisticated forms, corporate responsibility has come to mean that the interests of the several corporate constituencies are no longer seen as constraints on corporate activity which must be managed; instead these constituencies are seen as stakeholders, groups which have legitimate interests, and at least some of whose claims should be met and reconciled in the management process" (1980, p9).

Bradshaw (in Sethi, 1974) supports the view of Sethi with the suggestion that although corporations cannot be expected to cure all the problems of society because they are working within certain limits, such as the measures of performance which include Returns on Investment, Earnings per share, and so on, they can work towards social reform through a process of evolution by changing the rules.

Perhaps the rules need to be changed, because corporations are working in a competitive environment and firms who dedicate more of their profits to SR relative to other firms are going to face problems when their performance is measured. Businesses already participate in SR through paying taxes on profits, property and excise and indeed through some of the structural changes which have taken place over the decades, such as collective bargaining. The proponents of the free market system would be generally opposed to the idea that rules might be changed or developed to make it possible for corporations to be socially responsible, but even the most hardened free-marketer would agree that the abolition of slavery, work-houses and the such like were desirable goals of society and the imposition of such rules to make corporations conform has not done them any harm, because these rules have been applied equally.

There are further reasons for greater involvement of corporations in SR, both for reasons of enlightened self interest. There is a recognition that corporate self-interest is linked into society for its requirements in resources and markets, therefore it must work for these resources through obtaining the goodwill of society. The risk is that if a corporation does not obtain this goodwill, society can impair its survival through pressures on government and the market system. (CED, op. cit p15). Indeed, the consumer boycotts of firms like Barclays Bank (Smith,1986) and, Nestle (Chetley,1985) are well documented instances of societal pressures on corporations. Indeed Medawar (1978) has asserted the need for societal pressure on the corporations because he feels that the latter are more powerful than society as a whole, particularly as society is merely an aggregate of individuals.

The second is that managers have realised for a long time that they are a part of society and that they have to make choices from among a set of alternatives which are not just economic, but are also social and political. (Votaw in Sethi, Op. Cit p17). Votaw also gives this recognition by managers of their role in society as the main reason for the general rejection of Friedman's view on SR. The psychological basis for making choices from the alternatives available to the manager is the focus of the next chapter. Others who have recognised a wider role for the organisation include Hay, Gray and Gates who write:

"a modern view of social responsibility...would encompass not only a deep commitment to social problems, but also an understanding of the firm's responsibility to its contributors and, most importantly, a realistic comprehension of the need for profit as an essential prerequisite for operating at higher levels of social responsibility" (1976,p13).

A macro-definition has been given by Farmer and Hogue (1973) who suggest that social responsibility involves actions which may be judged in the future as having been of maximum help in providing necessary amounts of desired goods and services, while causing the least costs, financially and socially. They also hope that the benefits are distributed as equitably as possible. However, they make no suggestions on how these ideas may be implemented or measured in the future.

Both the notions of a continuum and the "hands off" and "hands on" have been conceptualised, as a horseshoe, in terms of the management responses to external social demands, by Mintzberg (1985). He argues that both extreme positions; of nationalising an organisation to achieve controlled social objectives on the one hand and restoring ownership to shareholders to pursue economic goals on the

other hand actually mean the same thing to the managers as they have to contend with outsiders.

While the extreme positions cover the two ends of control, Mintzberg offers a further six forms of control or autonomy which managers can work with.

- * Democracy, which calls for a sharing of decision making with workers, consumer groups, perhaps conservationists and so on.

- * Regulation, is implicitly based on the need for corporations to share their responsibilities with government, in the sense that corporations will respond to external regulations which are backed by a legal process. The internal regulatory processes would be left to the managers.

- * Pressure is thought to achieve what regulation cannot, by provoking the corporation into meeting social needs.

- * Trust on the other hand is based on the premise that a corporation has no need to act irresponsibly and there is no need for it to be controlled in any formal way. Managers are thought to be able, rationally, to meet both social and economic goals. However, this position comes under attack from both sides, as the managers right to decide on social goals is questioned by one side as indeed is the belief that they actually know or care to pursue social goals at all by the other side.

- * Ignore the corporation, as a position, assumes that because social goals are met through the pursuit of economic goals there is no need for a change of behaviour. This position is slightly closer to the economic end of the horeshoe than the previous descriptions and revolves around the simple assumption that managers will behave according to enlightened self-interest, because it "pays to be good" and ,in a sense, if you are not then watch out for Ralph Nader !

- * The next position is to induce the corporation to be good. In this view, the corporation does not actively pursue social goals at all, even when it is a means to economic goals. Corporations wait for incentives, in the form of government subsidies for example and then provide a limited response. This particular point is taken up in the design of the questionnaire with regard to location incentives in India.

The six positions above, according to Mintzberg, allow for greater autonomy for managerial decisions than the extreme positions described above and help to define socially responsible behaviour. In fact the definitions of SR have

developed over a period of time and an understanding of the multitude of meanings is enhanced by considering the origins of SR and taking a historical perspective.

2.4 Origins and history of SR

Phase I

The original concept of SR is that of profit maximisation, as described by Adam Smith (Hay, Gray and Gates, 1976):

Every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command, It is his own advantage, indeed, and not that of society, which he has in view. But the study of his own advantage, naturally, or rather necessarily, leads him to prefer that employment which is most advantageous to the society.

This view appears to make common sense in periods of economic scarcity, because the focus of people would be to amass wealth. In the current situation, such an ethic is likely to be valid for poor people as they are still operating within a framework of scarcity, while the focus of the richer groups in society has moved on to issues of the quality of life (Kristol, Op Cit., p17) There is consonance between this view and that expressed by motivation theory which states that there is a hierarchy of needs which changes as peoples conditions change (Maslow,1970).

It can be suggested at this point that the view of Adam Smith, expressed within the context of a protestant work ethic may also be termed as a kind of social Darwinism where through hard work and performance of duty people will move socially upward and that the weaker member of society are not getting wealthy and moving upward because they are either not trying or not capable, but in either case their problems are not for society in general to solve. Such a view might be acceptable to small businesses today and may have been reasonable in the nineteenth century, but expectations, values and attitudes have changed and social Darwinism would not be applicable to society in the current period. The points raised above have also been discussed in paragraph 1.5 from a different perspective.

Phase II

In the second phase of development, corporations are seen as trustees, not only of the profits for the owners, but also of the interests of the various groups in society - the stakeholders. Two major structural changes have taken place through the period of industrialisation and the concept of trusteeship emerged as a result of these changes during the 1920s and 1930s.

The first change, was the increased diffusion of ownership of shares. This meant that top management was insulated and in virtual control. If the shareholder did not like some of the policies he could only sell his shares. Top management therefore could perpetuate its control and the obligation to the shareholder decreased. Therefore, although the shareholder was the legal owner of the company, the actual position was that he shared his power over management with other stakeholders of the company. The emergent question for management was "to whom were they responsible?" To this extent the concept of trusteeship provided an answer.

The second major change was the growth of a pluralistic society, which in turn was reinforced by the trusteeship concept. Many interest groups grew out of the process of industrialisation, the most notable being the labour movement. Each group had a claim on the corporation, but none was able to exercise exclusive influence, so that management as trustees of the various interest groups attempt to reconcile and balance the various claims of trade unions, consumer movements, environmentalists, government, minorities and so forth. (Hay et al. op. cit p.18).

Phase III

The quality of life concept of social responsibility has become popular in recent years in the industrial countries largely because society has achieved growth in economic terms and satisfied most of the basic needs. As a result of the relative success in overcoming economic scarcity, there have been direct and indirect social problems which have resulted.

People observe pockets of poverty, declining inner cities, polluted air and water and these problems create a re-ordering of priorities.

"There is now a pervasive feeling in the country (USA) that the social order somehow has gotten out of balance, and that greater affluence amid a deteriorating environment and community life does not make much sense." (CED, op.cit p.15)

With the new set of priorities, society is demanding more from the corporations, which have technical and managerial skills to help with solving many of the problems created by industry and expects management to behave in a manner which goes beyond the Phase I and II styles of management.

A different level of consideration of the emergence of social responsibility is to see it as a response to social pressures as exemplified by the campaigns of Ralph Nader in the 1960s and the growth of consumerism. SR, is perceived as a defence mechanism for survival of the enterprise and a

minimum level of involvement is called for in the hope that the pressure will go away. (Votaw, op.cit p 18). However, Votaw argues that social responsibility is more than just a passing phase, more than just a response to temporary social pressures.

"First, social responsibility is a condition in fact, not just a policy or a response. Even if no corporation president had ever heard the term or used the term, there would still be a condition of social responsibility".

Perhaps the view is somewhat generous, unless one accepts that embodied within his definition of social responsibility is the opposite term. How can one say someone is socially responsible unless by contrast one implies the person is not socially irresponsible (the argument is elaborated in the next chapter in the definition of Kelly's theory). To this extent one can accept the notion of social responsibility being a condition in fact, because it implies that the opposite is also true.

He argues that the only thing that is changing is the expectation of society, which no longer is satisfied with a corporation realising its responsibilities through making a profit. Many of the social problems to which the doctrine of SR seems to be a response are not themselves isolated or transitory. They seem to be connected in a substantive way to deep, basic social and historical currents. He is critical of corporations taking expedient action to respond to calls of social action without first understanding the basic social issues, either by rushing headlong into charitable action, or through expanded Public Relations budgets, in that such short term action will ultimately affect the long term solutions which are needed. Indeed Clutterbuck (1981,p3) has said:

"The chief executive who assumes that his company is a good corporate citizen because it has well-meant policies towards some social issues is making the mistake of assuming social responsibility is something to add on to a company's activities - an external veneer aimed at keeping the outside world happy. The moment social responsibility becomes part of the company's public relations activities, it is a dead duck. Not only will outsiders frequently see through the sham, but people inside the company will soon get the idea that social responsibility does not really matter, that it is only for show, and that they are at liberty to slide around social responsibility issues if it becomes convenient"

Votaw (op cit) does cite an example that some businessmen are beginning to understand the long term forces and is hopeful that their numbers are growing. (The lessons of Isla Vista - Louis B. Lundborg - Chairman of Bank of America, in the Business Lawyer, January 1971).

He believes that the doctrine of social responsibility has parallels in history, in that it is probably a fundamental shift in societies' expectations, just as there were fundamental shifts in values, attitudes and working habits and so on, during the industrial revolution and other periods in history. The signs he claims are that the leaders of industry have begun to recognise over the decades that the factors of production do not belong to them to use as they wish; a view commonly held during the nineteenth and early twentieth centuries and reinforced by the protestant work ethic, social Darwinism and the economists' laissez faire teachings.

Votaw goes on to suggest that there is now a kind of hierarchical jump taking place from one set of values to another and that throughout history when this has happened, the period preceeding the change has been marked by cognitive dissonance, in that society would express dissatisfaction with the current state of affairs. In the current context he sees the dilemma between the traditional values and the experiences of widening gaps in society, damage to the ecology, the drive for growth rather than for satisfaction as signs of dissonance setting in. Finally, as noted earlier there is a changing role of the economy.

The implications of what these authors are saying is that the definition of social responsibility which they have offered is applicable only to those countries which in the terms of Rostow (op cit) have reached a stage of maturity and that while countries are still in the pre-conditions stage or indeed are still about to take off, they cannot afford the luxury of social responsibility or rather that they would not focus on such issues because production and growth would be their primary goals.

However, this researcher would argue that industry has been charged with the role of creating wealth in the economy through generating jobs and other benefits in order that the whole of society will eventually benefit. The policies of the dual economy, are not working for the whole of society, because the conditions for such a development do not really exist in the LDCs. The structural differences between the countries which went through the earlier experience of growth-led equity and the current experience of LDCs are different, in many ways. Indeed, Galbraith (1973) argues that economic growth can be enjoyed only by those sectors which exercise "power" over the resources and that these sectors would consider it heresy if the "free-market"

assumptions and fallacies were challenged in the reallocation of resources for education, medical, agricultural development and other social infrastructures over such activities as urban building, missiles and other defense industries.

As a method of summarising the various discussions on the historical perspective of SR, the three phases are presented below in the way of the sort of stereotype of management values which might be associated with each phase and help to draw out the implications of what the development of SR means to management.

Table 2.0		
Comparison of management values		
+++++		
Phase I	Phase II	Phase III
Profit maximising management	Trusteeship management	"Quality of life" management

Economic Values		
Raw self-interest	Self-interest Contributor's interest	Enlightened self interest Contributor's interest Society's interest
What's good for me is good for my country	Whats good for my for company is good my country	What's good for society is good ourcompany
Profit maximizer	Profit satisficer	Profit is necessary but....
Money and wealth are most important	Money is important but so are people	People are more important than money
Let the buyer beware "caveat emptor"	Let's not cheat the customer	Let the seller beware "caveat venditor"
Labour is a commodity to be bought and sold	Labour has certain rights which must be recognized	Employee dignity has to be satisfied
Accountability of management is to the;		
Owners	Owners, cutomers, employees, suppliers and other contributors	Owners, contributors and society

Technological Values

Technology is very important

Technology is important but so are people

People are more important than technology

Social Values

Employee personal problems must be left at home

We recognise that employees have needs beyond their economic needs

We hire the whole man

I'm a rugged individualist and I'll manage the business as I please

I'm an individualist but I recognise the value of group participation

Group participation is fundamental to our success

Minority groups are inferior to whites. They must be treated accordingly

Minority groups have their place in society and their place is inferior to mine

Minority groups are people like you and I are

Environmental Values

The natural environment controls the destiny of man

Man can control and manipulate his environment

Man must preserve the environment

Political Values

That government is best which governs least

Government is a necessary evil

Business and government must co-operate to solve society's problems

Aesthetic Values

Aesthetic Values ? What are they?

Aesthetic values are okay, but not for us

We must preserve aesthetic values we'll do our part

++++
Source: Hay, Gray and Gates, 1976, pp10-11
++++

The implications of the growth of the doctrine of SR, to management, is that there will have to be a concomitant change in the structure and organisation of corporations and this implies that there has to be a change in the type of managers available to run the corporations. The old style

of managers who focus only on profit (Economic Man), cannot be expected to last. Social demands are getting more complex and managers with a broader outlook are required. In a pluralist society, the loyalty to current hierarchies has to change. If we assume that the initial loyalties are to the corporation, the bosses, peer group, customers, other employees and so on, there may have to be a general re-ordering of the hierarchies, in that society in general may have to come to the top of the list (Elkins & Callaghan Op Cit, p 15), particularly if one accepts the following definition of management;

"The ultimate goal of good management is to improve the human condition" (Harper, 1980, p 152).

There are a number of ways that an individual can learn about social responsibility, in its various definitions and in fact the whole area of learning theory is vast and quite complex. One assumption that can be made here is that the formal education system can and is designed to be a change agent, so literature concerned with teaching social responsibility in the formal sector is reviewed here.

2.5 Teaching Social Responsibility

Because educators in Management Schools are training managers of the future, they are under an obligation to cover issues which are relevant to the managers of the future. According to Votaw, the leadership in the area of SR has come mainly from corporations which have taken their signals direct from society. But society has considerable expectations from the Management Schools and therefore there is a need for them to be ahead. (Votaw op.cit, p 18). A discussion on the role of Universities in the area of SR is presented by Derek Bok (1982) who asks whether Universities should just concentrate on supplying society with graduates and thus a supply of people better equipped to handle the problems of the day or, because of the special skills available in Universities - should they play an active role in society through giving advice, conducting research, consultancy and so forth.

In the first approach, Bok is taking a line analogous to the Friedman free market school and indeed, he suggests, an approach similar to the traditionalist view of Universities in early Europe, where education was conducted for its own sake and social benefits were a useful side effect. However in the second proposition he acknowledges the much more modern phenomenon of Universities being a major force in consulting, which is the result of society acknowledging the expertise available, and making endowments and paying fees for this facility. This position is similar to the argument presented by Paul (Op Cit. in chapter one) about the availability of the IIMs as resources to the government of

India, except for the implication that, as the client is the government, the subsidies which they provide are equivalent to fees they might otherwise have paid.

In an LDC context, as elsewhere, the growth of Universities has been the result of a growth in population and the increased demand for a quantitative expansion in the supply of education. (Dore, 1976). The society's expectations of education in an LDC was the supply of an educated elite who could apply their talents to finding solutions to the enormous problems facing their countries, and in fact the role of the educated elite in this form was seen as an obligation on their part (Nehru, 1947). However, it would be difficult to say that this group has met all its obligations, at least to the extent that it was hoped on the basis that the prime concern of the graduates has been their own needs, as exemplified by placements in the most rewarding sectors, as discussed in chapter one.

On the other hand one cannot be totally critical of the education system and say that only the elite have benefitted and that they are now perpetuating their own benefits, as evidenced by large scale electrification and other improvements in the infra-structure which do affect the rural areas. The argument is whether the elite are perpetuating themselves through forms of education such as the MBA or whether there are any spillover benefits of the kind described. A case can probably be made out for either stance depending on one's ideology, but if one accepts that there have been benefits, the effects have not been as widespread as may be socially desirable in a country which is so large, the contention being that much more has to be done to enable the benefits to embrace a large number.

The role of Universities in LDCs, due to their concentration of intellect can be expected to provide a lead in the issues which concern society both through the indirect route of providing a supply of graduates and the more direct route of involvement in social and other issues. Graduate programmes are seen as an indirect route because of the reliance on appropriate placement followed by behaviour according to the desired norms, while direct involvement of the faculty through consultancy and the short courses for extension workers and so on is seen as a direct route as it deals with people already in development work and aims to improve their performance. Even within the free-market which argues that the responsibility of the manager is to his employer, there is a strong case for involvement by Universities and by the graduates in solving the problems which face the larger society, because it is the larger society which is paying for their education through central government funding and is thereby a stake-holder to which the educated elite is responsible.

From a discussion of the role of Universities, the question is, what the priorities should be and who chooses them? Are the choices being made by a small interest group for their own benefits, or have the Universities demonstrated their own SR in allocating the resources according to a wider range of issues? Here again one has a continuum of SR and one is faced with a multitude of definitions for SR in the same way as in the corporate world.

A number of courses on SR have been taught in the USA and have also been attacked significantly by Drucker (Williams, 1982) as being nothing more than teaching a set of ethics for those in power, helping them to resolve their consciences. He argues that the courses are teaching consequentialist ethical theory; focusing on the consequence of behaviour so that the rightness or wrongness is determined by the results which ensue. The famous Lockheed bribery case is mentioned, in which the offer of a bribe to secure an order from Japan involved the security of 25,000 jobs.

According to Bengtson (1975), the family is important for the transmission of values, and he also contends that there is not really a large gap between the generations, and only pre-occupations change with age. This raises a serious question of whether SR, as a value system can actually be taught in the universities or whether it is acquired from the family. One might view the learning of values as part of the overall change which takes place in society through evolution and it would be difficult to ascribe any single source of learning and influence. The student riots which took place during the 1960s were a break from the values held by society upto that period, while the high income aspirations of students in India reflects the values held by their social groups and family, perhaps being re-inforced by the Universities.

At the Indian Institutes of Management in Ahmedabad and Bangalore, some effort is made to teach social responsibility. At Ahmedabad the process is a voluntary placement during the summer holidays. Approximately 8 to 12 students participate in this each year and a few return voluntarily to offer their services when they have full time jobs. The placement results in the student working on a rural project bringing some management expertise to the problems of rural job and wealth creation. Most of the projects are organised by an alumnus of Ahmedabad, who has formed a consultancy called Professional Assistance for Development Agencies (PRADAN), largely supported by funding agencies, thereby enabling PRADAN to advise voluntary and other non governmental organisations. (IIM interviews, December 1984). The experience of Ahmedabad contrasts with the one in Bangalore where the "Social Involvement Project" was part of the required element of the course and the

majority of projects were trivial, had little of interest and were, in the main, resented by the students as an intrusion into practical vocational experience (Bandyopadhyay, 1982). The main objective in the latter case was to expose the students to a part of India they were unlikely to be familiar with, so that future decisions they made would be in the context of an awareness of the problems of the poorer people in society. The learning of "moral values" is exemplified by another study of the link between man's behaviour and the environmental problems which is discussed briefly, to provide an analogy to areas of development which might be linked to SR.

Harvey, (1981) assumes that man is much more responsible for the state of the environment than earlier accepted and that environmental problems are less to do with Acts of God than to do with the behaviour of man. The author identifies seven perspectives on the issues of the environmental debate and these are presented below.

1. Individual moral failure as a source of the environmental problems. i.e. it is a failure not to consider the full range of impacts when basic decisions are made regarding the production or consumption of goods.

2. Lack of a moral belief system, in that technology and the economy exist for their own sake and they are not linked to any superordinated value system. The absence of any harmony with nature has been described as a characteristic of the western "world view" having had its origins in Hebrew theology and its Christian interpretation, in which the role of man was to exploit nature to his own advantage.

3. Science and technology. The primitive interest in magic is said to be an example of man's urge to control his own environment, and from this it is a short step to see the use of science and technology as a means of controlling one's destiny and environment.

4. The pace of change of scientific developments has been so quick that ecologists often argue for breathing space and time in which to try and understand the full impact of all the new technologies. While there has been an exponential growth since the scientific and industrial advance, ethical progress among all people including scientists and technologists has been very slow. (Hetman, 1973 in Harvey Op Cit.).

5. Technological Values. Man is becoming a passive machine controlled animal, working in depersonalised collective organisations.

6. Defective political-economic systems. In this model the resources are seen to be without limits and that they are used up and the waste thrown away because new resources are always to be found.

7. The costs of economic growth. In the index of growth and the generation of wealth there is no equation for calculating the negative effects and it is seen as crucial that before this can happen there has to be a change in the values of society. The question is whether education can play a role in changing these values - which comes first, a change in the individual or a change in the social system which surrounds him. This question is equally applicable to the social scientist, the technologist and the corporate manager.

Obtaining change in society through organisations is discussed by Harvey who presents a brief outline of the behavioural theory of the firm which is composed of a coalition of internal sub-units, each with its own objectives, and the number of constituencies can be extended to include other groups who have an interest in the business, such as customers, suppliers, employees and so on, (the stakeholders). Therefore, although consensus on social responsibility is a difficult task, attempts to operationalise it might comprise the following four stages.

1. Senior executive awareness of the corporate social responsibility issue.
2. Corporate considerations of its practical implications.
3. Corporate social-policy formation.
4. Implementation of policy.

So, allowing for lags in implementation, Harvey suggests that there should be a strong correlation between environmental issues, the sophistication of management and a management philosophy. He found a correlation between the sophistication of management and corporate social-policies, but did not find a presence of a management philosophy. (Harvey, 1979 - reported in his own paper). However, this finding may not be surprising because there is at least one dichotomous view of the managerial elite. On the one hand the educated elite is expected to provide benefits for the masses (Nehru, 1947) while the Marxian view holds that the educated elite is a self serving group, unlikely to do anything for other groups. Harvey contends that the four stages requires the "cerebral cortex" of the corporation to become aware of the issues of social responsibility.

Further, his argument that the higher level of SR in corporations is linked to a higher level of sophistication, but not to a philosophy could lead to two conclusions; first that the Drucker argument is correct i.e. that sophisticated managers are taught consequentialist ethical theory - or,

indeed, that because managers are sophisticated they are better able to work out the consequences of their actions. Secondly, one might argue that because managers are more sophisticated they are more socially responsible. Some support would come for this line from the research of Berkowitz and Lutterman (1968) who developed a scale to measure social responsibility among individuals and generally found the middle-classes to be more socially responsible than working classes.

In the continuing discussions of SR, it is necessary to return to the question of definition from the perspective of whether it can be measured. It has been suggested that in order to measure SR, one needs a clear definition of what is being measured, simultaneously with the argument that the definition will become clearer with measurement (Sethi, in Heilbroner & London, 1975) and the next section addresses itself to this subject.

2.6 Measuring Social Responsibility

The following methods have been proposed in the literature;

- * Measuring individual levels of social responsibility, in the study by Berkowitz and Lutterman (op.cit, p29).
- * Social audit, in a similar fashion as a financial audit of a firm.
- * A process audit, which attempts to comprehensively describe what the firm is doing, because social action is difficult to quantify.

Berkowitz and Lutterman attempted to measure the readiness of their respondents to behave in a socially responsible manner even when they do not have any direct benefits in return. They developed the Social Responsibility Scale and used a number of items on a Likert scale. Several items were drawn from earlier studies, which had attempted to measure the personality of children.

The main weakness of this study is that the subjects responded to the researchers' descriptions of social responsibility and as there were no other studies with which to compare their findings, their conclusions remain a confirmation of their definition of social responsibility rather than an empirical collection of data with which to define the term. A copy of the questions which they administered is in Appendix 2A.

A social audit attempts to provide a mechanism whereby a manager can be assessed for performance on social and economic aspects. The case for such a mechanism is made on the basis that a corporation has to survive in an

environment which includes social and political factors as well as economic ones and that the current forms of performance appraisal only account for financial measures, which at present charge all socially responsible behaviour as costs, thus inhibiting managers from pursuing SR. (Sethi, op.cit, p29). In attempting to put together a social audit, there is an immediate problem, which is that firms may be able to exclude "bad" projects and portray only the positive effects of it's efforts, so that the statements amount to no more than puffery.

With this caveat, Sethi proceeds to list all the items he considers may lend themselves to quantification;

2.7 Quantifying social responsibility

- * Aid to Arts, Aid to Health and Education.
- * Employee related activities, better benefits, housing, training, job enrichment, self development, job safety, right to dissent.
- * Community related activities; local fund raising, staff time, membership of local bodies, urban and rural development.
- * Minority groups; recruitment, training, job development, promotion, assistance through purchases and sub-contract work, financial and technical help for entrepreneurs.
- * Consumer related; better products, more information, more choice.
- * Political; taking a stand on apartheid, gun control, race, and so on.

A process audit acknowledges that quantifying SR is very difficult and the line of least resistance is merely to list the activities. The stages suggested (Hay et al. op.cit, p18) are:

- * List the activities which have a social impact.
- * Explain what led to these activities.
- * Informally evaluate the programmes that are considered most relevant.
- * Assess the programmes for a fit between the goals of the company and society.

While a process audit removes the difficulty of quantification, it also appears to carry the risk of becoming mere puffery, particularly with the third stage recommendation.

Both the social audit and the social process audit are justified by their proponents as methods of developing an effective corporate strategy in the area of SR. The suggestion has been made that in the first place one needs to forecast the environment and develop an effective tool to meet the needs of the future. Certain assumptions are made about the role of corporations in this area of corporate strategy:

- * That society is going to measure the corporations' performance according to some preconceived notions of good behaviour and these notions are going to keep changing in the dynamic environment.

- * Corporations operate in society under an implied social contract and they are in fact social institutions which must keep changing with society.

- * There are many groups making demands on the corporations, some of which are conflicting and many of which are poorly communicated to the executives. As a result the information is going to be highly subjective.

- * The process in society is that there is: corporate action which is evaluated by society, which then exerts pressure to which corporations have to react. This process is said to be a continuously occurring fact of life and must be understood.

Comprehension of this process, it is suggested (Shocker and Sethi, in Sethi, op.cit, p18) will enable the corporation to measure the preferences of society, their relative strengths and their capacity to effect the corporation. Based on this information, the corporation can develop an effective strategy to satisfy the groups according to the relevant priorities.

The methods described here are taken in concept for the methodology and varied for content on the basis of the arguments presented below.

In concluding this survey of the literature on SR, it would be appropriate at this stage to consider the ways in which firms have shown themselves to be socially responsible, without compromising their focus on profits, and in particular there is a paper which has been presented to Indian industry as a form of a guideline on how they can participate in the rural and agricultural sectors of India.

2.8 Operationalising SR

It has been suggested that corporations have become the biggest source of donations in the USA and that they are playing an increasing role in the area of SR (Heiskell, 1981). A long list of successful corporations engaged in social responsibility is given by Hay et al (op.cit, p18), including Coca Cola, IBM, Xerox and others, helping to reinforce the point that such behaviour is not damaging to the main focus on profits.

The nature of their involvement includes help to minorities, local development in the community, better conditions for farm workers and so forth. The implication which might be drawn from these examples is that it is only when the corporations have reached a stage of success that they can afford to divert their attention to SR.

The increased awareness and adoption of SR is made more urgent by the suggestion that political forces are just as real as economic forces and the businesses have to respond to these as well, which often means that firms may have to be content with optimising rather than maximising their profits. (Buck, in Elkins and Callaghan, op.cit, p15).

Due to the power of corporations in the social system, it is felt that they can do a considerable amount for society, if they tried to satisfy some of it's demands. (Schwartz & Dahl, in Heilbroner op.cit, p29). They put forward the following list as the preoccupations of Americans.

- * Disclosure of information to the stakeholders.
- * Membership of the Board of Directors.
- * Monopolistic behaviour.
- * Equality in employment, minorities.
- * Profit sharing.
- * Environmental protection.
- * Ethics of advertising.
- * Social impact of technology.

The list was formulated in 1975 and some of the preoccupations may have changed, but the concept of a list of areas of concern remains. The final paper reviewed consists of Indian preoccupations on how industry can become involved with society. It reports on a seminar (Ghouse, 1977) held in India, with a multi-disciplinary and multi-interest group of participants. It recognises that modern industry can play a role in the development of the agricultural and rural sectors and indeed that it has a responsibility to do so.

The conclusions of the seminar were that firms could participate in development in any one of the following ways:

* To start with a minimal direct involvement could be initiated, either through the organisation of other existing Institutions. That there has to be a commitment at corporate policy level and that a certain proportion of the profits could be dedicated to agricultural and rural development.

1. The choice of activities could be around business activities, the needs of a particular area or special corporate social interests.

2. The areas of involvement could be based on location of industry either on the basis of raw material or labour sources. Facilities which can be commanded by the modern sector. Easy communication with the factory and office base. Facilities offered by the government agencies. Special interests of the firm and finally on the basis of the concentration of sales.

3. The participants of the seminar believed that the strengths of the commercial organisations lay in the organising of management and this strength could be passed on to the rural sectors through adoption of rural institutions or through helping to staff them.

4. The methods of involvement could be direct, through Voluntary agencies, Government Agencies, Farms Service Societies, local self government bodies (Panchayats) and locally promoted associations.

5. The inputs to the development process could include - giving finance, lending staff, helping to set up entrepreneurs, attracting bank loans, helping with feasibility studies, transferring technology appropriate for villages, scientific studies, project planning and training institutions.

This review of the definitions of social responsibility has provided a vast range of definitions, almost all of them proposed by the authors and researchers. None of them have been examined closely in any empirical studies. Apart from the few definitions at the level of abstraction provided by Friedman, most of the other definitions and discussions do not help with the notion of social responsibility as something to do with the developmental needs of the country. Apart from Ghouse's work there do not appear to be any real ways of setting up solutions and processes of bringing the modern sector closer together with the traditional rural sectors.

2.9 Redefining social responsibility

Society has invested in educating an elite, for diverse objectives and for which it expects returns. The returns come in many forms in the course of industrialisation, this being the sector where the target group of this study (MBAs) mainly get employed. To measure the returns in the form of an economic cost benefit analysis is not particularly helpful in formulating future policy as the technique is prone to many criticisms regarding the assumptions which have to be made. However, there is a recurring theme that the process of modernisation must be tempered with equity and social justice, which can be obtained through social development.

Indeed, this researcher subscribes to this view because there is ample evidence that the emphasis on developing a core sector has not provided the trickle-down benefits as widely as hoped. Perhaps a "unimodal" approach is more suited to a poor country, whereby the investments are made in such a way as to benefit the wider economy. These might include such things as rural transport, electricity, adult education, irrigation, soil conservation, health and so on. As a part of the education system, IIMs are meant to benefit the whole of society, which in turn has been asked to fund this form of education. However, it can be argued that MBA education is vocational and therefore exemplifies an investment (bi-modal) in that sector which helps to develop modern industries, but from which, it seems, that few benefits flow to the rest of society.

But, this argument cannot be easily sustained because it does not deal with the behaviour or attitudes of the managers. Perhaps the managers are aware of social priorities and actually do work for wider social development although the index of placement is not sensitive enough to pick up this issue.

Throughout the literature on social responsibility, the authors have assumed that having the appropriate social values and norms will lead to socially responsible behaviour. This is not an unreasonable assumption, because although some authors believe that social responsibility is a condition in fact, it is hard to imagine that one can expect socially responsible behaviour unless the person is both aware of and responsive to this requirement. In the stages, which Harvey listed above, as parts of a process to elicit socially responsible behaviour, the first item called for managers to be aware of the social responsibility issue. Hay et al. also attempted to list managerial values (table 2.0 above) and imply that people with the phase I, II or III attitudes will behave according to such norms.

The definition of value to this study would therefore combine the needs for social development outlined by the planners in India and the notion that people can, whether or not they will, behave socially responsibly only if they are aware of the appropriate issues. Since this researcher subscribes to the view that the priority of a developing country should be a bringing together of the modern sector with the traditional sectors, people who are aware of this need in a social developmental sense are thought to be socially responsible.

Much of the literature on social responsibility is American who have different preoccupations to those needed in an Indian setting, hence the redefinition of the term. However, in either case there is not an empirically developed definition of this term and although at this stage the study has attempted a definition of social responsibility, it must be stressed that there is a need for an empirically developed definition.

Therefore it was felt that if it was possible to evaluate the degree of social responsibility demonstrated by the graduates and their employers, one could infer the possible benefits to society. The linkage is made clearer following the next chapter on personal construct theory, but the proposition is described briefly.

If a manager construes socially responsible behaviour in a social development context, such as through rural development, then society is more likely to get returns on its investment than from a manager who construes social responsibility in a much narrower sense because this latter attitude or value system will not include the wider society in the decisions which are made, nor will society's needs be perceived as one of the choices from which to make a decision.

There is one major assumption which underlies this definition of socially responsible behaviour and it is that having the relevant attitudes or indeed reporting that one has relevant attitudes actually translates into appropriate action. There are two main lines of defense in using this assumption. First, that it does not seem possible for socially responsible behaviour without the attitudes. In other words SR behaviour requires SR attitudes although SR attitudes may not lead to SR behaviour. Secondly, there is an enormous body of literature which asserts that attitudes, values, motivations and so on lead to certain forms of behaviour. This body of literature is covered in the following chapters, but may be summarised as follows;

Buyer behaviour theories which include assumptions about "economic man" being responsive to prices, and the Freudians who believe that man is stimulated by certain inner urges

are two examples. The discipline of marketing offers segmentation strategies based on demographic, geographic, lifestyle and other methods which assume that people will have different buyer characteristics according to their circumstances, needs and attitudes. There does seem to be sufficient evidence that knowledge of a person's attitude toward something can be used for predicting future behaviour. This theme is pursued in the following chapter by examining a theory which facilitates in the understanding of how people construe social responsibility, but before moving onto this theory, the literature on social responsibility has been summarised into the continuum suggested at the start of the chapter.

Table 2.1
Social responsibility scale, to summarize literature review.
+++++

HI...AFFIRMATIVE ACTION

Organisation dedicated to social development
on a non-profit making basis, e.g. Ford Foundation,
other voluntary agencies, aid agencies and so on

...SOCIALLY RESPONSIBLE

Good products, Good employee benefits,
Clean environment, Community benefits,
Employee and minority entrepreneurs get help.
A variety of other projects.
(Equivalent to Phase III)

...SOCIALLY AWARE

Some support to charities, Temples/Churches
Employee benefits.
Mildly ahead of legislation
(Equivalent to Phase II)

...MINIMUM RESPONSIBILITY

Forced to through legislation
For reasons of tax efficiency
Meet market demands for quality, competitive sector.
Urban consumer benefits.
(Equivalent to Phase I)

LO...IRRESPONSIBLE

Abuse of child labour, Wages well below minimum,
Polluters, Bribers, Shoddy goods.

+++++

References

- Bandyopadhyay J.; Social Involvement Project (SIP). Experiments in alternate management education. IIM Bangalore, January, 1982.
- Bengtson V.L.; Generation and family effects in value socialization. American Sociological Review, p358-371, June 1975.
- Berkowitz L. et al. ; The traditional socially responsible personality. Public Opinion Quarterly, v32, summer, 1968.
- Bhagwati J.; The economics of underdeveloped countries. Weidenfeld and Nicholson, London, 1966.
- Bok D.; Beyond the Ivory Tower. Harvard University Press, USA, 1982.
- Bradshaw T.F.; Corporate Social Reform. An executive's viewpoint in The unstable ground. Corporate Social Policy in a dynamic society. (Ed) Sethi S.Prakash. J.Wiley & Sons, USA, p24-31, 1974
- Bruck G.; The hazards of corporate responsibility in A managerial odyssey. Problems in business and it's environment. (Eds.) Elkins A. & D.W.Callaghan, Addison-Wesley Inc, p47-55, 1975.
- Committee for Economic Development (CED); in A managerial odyssey. Problems in business and it's environment. (Eds.) Elkins A. & D.W.Callaghan, Addison-Wesley Inc, p12-40, 1975.
- Chamberlain Neil W.; The limits of corporate responsibility. Basic Books, New York, 1973
- Chetley A.; The politics of baby foods. Successful challenges to an international marketing strategy. Francis Pinter, London, 1986.
- Clutterbuck D.; How to be a good corporate citizen. McGraw Hill, London, 1981.
- Dahl Robert A.; A prelude to corporate reform in Corporate Social Policy: Selections from "Business and Society Review", (Eds.) Heilbroner Robert L.& Paul London. Addison-Wesley, p3-11, 1975.
- Dore R.; The Diploma Disease. Education, qualification and development. Unwin, London, 1976
- Elkins A and Callaghan D.W. (Eds.); A managerial odyssey. Problems in business and it's environment. Addison-Wesley Inc., 1975.

Farmer Richard N & W. Dickerson Hogue.; Corporate Social Responsibility. Lexington Books, D.C.Heath & Co., 1985.

Friedman M.; The social responsibility of business is to increase its profits in A managerial odyssey. Problems in business and it's environment. (Eds.) Elkins A. & D.W.Callaghan, Addison-Wesley Inc, p41-46, 1975.

Galbraith J.K.; Power and the useful economist. The American Economic Review, march, Vol.63, No 1.,1973

Ghouse G.; Guidelines on "industries" participation in agriculture and rural development. Financing Agriculture Vol.IX, No 2, pp44-47, India, July-Sept, 1977.

Harper M.; Management education in poor countries in Breaking Down Barriers. Practise and Priorities for International Management Education, (Eds.) Garrat Bob and John Stopford, Gower 1980.

Harvey B.; Environmental education and behaviour: the case for corporate social responsibility. Environmental education and information. Vol.1, No 1, pp27-37., 1981.

Harvey B, Stephen Smith and Barry Wilkinson.; Managers and Corporate Social Policy. Private solutions to public problems. Macmillan Press, 1984.

Hay R.D., Edmund R. Gray and James E. Gates.; Business and society. Southwestern Publishing, USA., 1976.

Heiskell A.; Corporations can be decent. AGB reports, pp47 - 48, November-December 1981.

Hetman F.; cited in Harvey (Op Cit) p30. Hetman's article is titled: Society and the assessment of technology (O.E.C.D; Paris), 37., 1973.

Kristol I.; When virtue loses all her loveliness - some reflections on capitalism and the "free society". The Public Interest, p3-15, Fall 1970.

Lundborg Louis B.; The lessons of Isla Vista. Business Lawyer, January 1971.

Medawar C.; The social audit consumer handbook. A guide to the social responsibilities of business to the consumer. The Macmillan Press, 1978.

Mintzberg H.; Who should control the corporation? The McKinsey Quarterly, Autumn 1985, New York. Printed in England. Condensed from California Management Review, Vol.XXVII, No.1., Fall 1984.

Moran T.H.; Multinational corporations and the politics of dependence: Copper in Chile. Princeton University Press, USA, 1974.

Maslow Abraham H.; Motivation and personality. Harper and Row, New York, 1970.

Myrdal G.; Asian Drama I. The Penguin Press, London, 1966.

Nehru J.; The discovery of India. Meridian Press, London, 1947.

Parker R.; Fact and fancy about America's classless society in Corporate Social Policy: Selections from "Business and Society Review", (summer 1974). (Eds.) Heilbroner Robert L. & Paul London. Addison-Wesley, p3-11, 1975.

Paul S.; An application of cost-benefit analysis to management education. Indian Institute of Management, Ahmedabad, India, 1969.

Prasad B.R.; Employment strategies of the Indian five year plans: Reasons for their failure in Employment policy in a developing country, A case study of India. Eds. Robinson A., Prasad B.R. and Deshpande L.K., Macmillan Press, London, 1983.

Powers C.W. & David Vogel.; Ethics in the education of business managers. The Hastings on Hudson Institute of Society, Ethics and the Life sciences, The Hastings Centre, 1980.

Rostow W.W.; The stages of economic growth. Cambridge University Press. Second edition, 1971.

Sethi S. Prakash. (Ed.); The unstable ground. Corporate Social Policy in a dynamic society. J. Wiley & Sons, USA, 1974.

Sethi S. Prakash.; Getting a handle on the social audit in Corporate Social Policy: Selections from "Business and Society Review", (Eds.) Heilbroner Robert L. & Paul London. Addison-Wesley, p227-234, 1975.

Schwartz D.; Reforming the corporation from within in Corporate Social Policy: Selections from "Business and Society Review", (Eds.) Heilbroner Robert L. & Paul London. Addison-Wesley, p12-18, 1975.

Shocker Allan D.; An approach to incorporating social preferences in developing corporate action strategies in The unstable ground. Corporate Social Policy in a dynamic society. Sethi S. Prakash. (Ed.) J. Wiley & Sons, USA, 1974.

Smith C.; Ethical purchase behaviour and social responsibility in business. Vol 1. Ph.D. Thesis, Cranfield School of Management, 1986.

Votaw D. et al.; The Corporate Dilemma. Traditional values versus contemporary problems. Prentice Hall, USA, 1973.

Votaw D.; An educator's viewpoint in The Unstable Ground: Corporate Social Policy in a Dynamic Society. Prakash S. Sethi (Ed.), p14-23, J.Wiley and Sons, Melville Publishing, 1974.

Williams O.F.; Business Ethics: A Trojan Horse ?, California Management Review, Vol.XXIV, No.4., Summer 1982.

Bibliography

This bibliography has been prepared largely from the sources at the Management library, Cranfield Institute of Technology. It has been prepared as a balance to the largely American sources used in the references to the chapter, to indicate a body of literature available to a European orientation. However it includes only those in the English language and does not claim to be exhaustive, but sufficient to allow a reader interested in the subject several avenues for entry.

Books

Ackerman R.W.; The social challenge to business. Harvard University Press, 1975

Anshen M.; Managing the socially responsible corporation, Collier Macmillan publishers, 1974.

Bickerstaffe G.; Swiss multinational acts to bolster private enterprise. International Management, p54-55, October 1982.

Boal Kimberley B. & Newman Peery.; The cognitive structure of corporate social responsibility. Journal of Management, Vol.11, No 3, p71-82, 1985.

Byars Lloyd L. and Michael H. Mescon.; The other side of profit, W.B. Saunders, 1975

Davis K and Robert L.Bromstrom.; Business and Society. Environment and responsibility, McGraw Hill, 1975

Evans M (Ed.); Industry and values. The objectives and responsibilities of business. George Harrap, 1981

Hargreaves J. and Jan Dauman ; Business survival and social change. A practical guide to responsibility and partnership, Associated Business Programme, London, 1975.

Kur C. Edward & Ronald W. Clement.; Teaching the social responsibility course: modeling choicefulness, openness and managerial reality. Collegiate News and Views, p31-35, Spring 1981.

Matthews J.B., Kenneth E. Goodposter, Laura L. Nash.; Policies and persons. A case book in business ethics, 1985

Vernon R. (Ed.); Big Business and the State. Changing relations in Western Europe. Macmillan Press, 1974

Vogel D.; Lobbying the corporation. Citizen's challenges to business authority, Basic Books. 1978

Pamphlets

Jones T.T.; Social Responsibility and the firm. Occasional Paper 8508. University of Manchester Institute of Science and Technology. September, 1985

The Ashridge Reprint Series;

Quinn P.; Management's social responsibility role in the post industrial era. undated.

Sadler P.; Management and the social environment. First published in Long Range Planning. Vol 8, No.4. August, 1975

Sadler P.; The socially responsible organisation. First published in the Professional printer. Vol 19, No.5. September, 1975

Thomas R.E.; Marketing a new capitalism. First published in CBI Review, Autumn, 1974

The British Institute of Management;

Occasional Paper - New Series OPN 12; The British public company. It's role, responsibilities and accountability. 1974

Occasional Paper - New Series OPN 14; Changing social values. The implications for management, 1974

Brown J.K.; Social responsibility and the smaller company. some perspectives. Report No. 568, The Conference Board, New York. Available through the British Institute of Management. (undated)

Melrose - Woodman J. and I. Kverndal.; Towards social responsibility. Management Survey No. 28, 1976

Foundation for Business Responsibility;

Room 18-11, Portland House, Stag Place, London SW1..

Corfield K.G.; The company and its responsibilities. 3rd paper in the series, 1972.

Flew A. (undated); The profit motive.

Wood J. and Michael Ivens (undated); Is a pre-occupation with business responsibility a betrayal of capitalism ?

European Institute for Advanced Studies in Management;

Bowman Edward H.; Some research on corporate social responsibility as coping. Working paper 74 - 29, 1974.

Lindstedt-Axhamre M.; Social responsibility from a management viewpoint. Working Paper 77 - 4, 1977.

Screuder H.; Facts and speculation on corporate social reporting in France, Germany and Holland. Working Paper 78 - 42, 1978.

European Institute for Advanced Studies in Management and the European Foundation for Management Development.; Facing Realities. The report of the European Societal Strategy Project. December, 1981.

Other;

Morgens Howard J.; The profit motive and the public interest. Chairman of the Board. The Procter and Gamble Company, undated.

Papps I.; Government and enterprise. Hobart Papers. The Institute of Economic Affairs, 1975.

Chapter Three

Personal construct theory

"This paper, throughout, deals with half-truths only. Nothing it contains is or is intended to be wholly true. The theoretical statements propounded are no more than partially accurate constructions of events, which in turn, are no more than partially perceived".
(Kelly in Maher, p66, 1979)

3.0 Introduction

George Kelly formulated personal construct theory (PCT) in 1955 in a most elaborate fashion with a fundamental postulate and eleven supporting corollaries. He was a clinical psychologist who became unhappy with the theories of his time as being insufficient in the understanding and explanation of people's behaviour. Alongside his theory he developed repertory grid technique as an instrument with which to gather data about the ways his patients perceived the world around them and in particular the relationships they had with other people. (Bannister and Fransella, 1971)

This theory might help with a better understanding of how people construe social responsibility and, because of the interest in predicting the future behaviour of managers, if we can gain an insight into the way they construe SR, we may be able to ascertain their future behaviour. The theory of personal constructs helps to bridge the gap between national goals of equity and justice alongside modernisation and the operationalisation of these goals at a micro level. Before getting into a discussion of PCT, it must be stressed that a basic, and well supported, assumption is being made; which is that a knowledge of someone's attitude towards something will enable a prediction of that person's behaviour towards that something. This assumption has been used by clinical psychologists because unless they can understand how their patients construe, appropriate treatment cannot be offered. The authors cited in the bibliography at the end of this chapter help to clarify and support this assumption, while it is further reinforced in paragraph 10.3. The separate issue of whether the research instruments are reliable and valid are dealt with in chapter six.

3.1 Philosophy of personal constructs

The underlying philosophy of this theory and the objections to the theories of his day are important in understanding Kelly's personal construct theory. The section below is a review of the literature, presenting this philosophy, a definition of personal construct theory and the implications for this research.

With regard to the underlying philosophy of personal construct theory (PCT) it seems there was an interplay between the debate of positivism and inductive research with the main issue being the treatment of man. Skinner for example says;

"The objection to inner states is not that they do not exist, but that they are not relevant in a functional analysis. We cannot account for the behaviour of any system while staying wholly inside it; eventually we

must turn to forces operating upon the organism from without" (Bandura, 1969 p38).

This is a fundamental position to which Kelly objects; that man is considered an organism rather than a person, particularly in psychology which requires the understanding of man as a person. This objection extends to Freudians, behaviourists and other social science theories which Kelly regards as hydraulic when they treat man as responsive to PUSH theories based on stimuli and on PULL theories based on needs. (Mischel, 1964 p186).

His rejection of the push psychologists is elaborated by Bannister and Mair (1968,p11).

"secondly comes the problem of finding some principle which will facilitate predictions about the general direction man will take in the decisions which face him in life, or about the turnings he will take at the various choice points which confront him therefore push psychologists who suggest that each stimulus or conglomeration of past stimuli has a direction with it or pull psychologists who suggest that each motive carries its own directional signal do not deal with the whole problem because neither can adequately cope with a theory of how people turn at points of choice".

The philosophic assumption is clearly stated by Kelly with the label **"constructive alternativism"** which means that as man goes about his business and is faced with having to make choices it is possible that at the various choice points he can examine alternatives, even if this is only implicit. To state, for example, that something is good does not in itself make sense unless at the same time one is also implying that it is good because it is not bad, or because something else is bad. The basis for his approach to alternatives lay in the criticism of research methodologies of his day and of his colleagues in psychology:

Kelly is against **"accumulative fragmentalism"** which means that he feels it is not possible to research man and his behaviour in parts and that research must include the **"whole man"**, essentially as a person. This point is made by Bannister and Fransella (1971) who support Kelly in the strongest terms;

"Modern psychology is not, in the main, about persons, and so by making the person the central subject matter of psychology, construct theory changes the boundaries and the content of the science (p44)"....."what then have psychologists studied instead of studying the person?" (p45)....Psychologists have avoided studying man the person by studying man the animal. Man can be studied as anything by biologists, zoologists. The

argument is whether it would be more rewarding for all concerned if psychologists studied him as an animal or studied him as a person" (p47-48).

On the second issue, Kelly asks;

"what is the role of the psychologist - is he a scientist - a creature apart whose own behaviour is explained by his undertakings, while the behaviour of other men is to be explained only in terms of stimuli, motives, physiology, and the momentum of their biographies. Maybe a psychologist only does what men normally do - just more methodically" (Maher, 1979, p15). It is this view of Kelly which lead him to call man "a scientist".

Ray Holland (1970) provides a critique of Kelly. He first questions the stand on which Kelly has based his theory. Holland says that Kelly has rejected behaviourism, phenomenology and existentialism as rather rigid ways of studying, leading to "accumulative fragmentalism"; the collection of bits of data to study this or that about man. However, Holland feels that Kelly has weakened his theory by taking an extreme stand, particularly as he has not understood other areas of social science. Further, Holland picks out two of the corollaries (sociality and choice) from Kelly's theory, saying they were untestable and tautological thereby causing the whole of the theory to be rejected. Holland, argues that using the rest of the theory without the two corollaries would be rejected by Kelly himself, due to his aversion to "accumulative fragmentalism".

Holland continues with the criticism by quoting Bannister and Mair:

"there is a tendency for psychologists to bypass Kelly's theory and simply use his grid methods...due to...(some) inherent weakness in the theory".

Although Holland quotes Bannister and Mair, both authors are generally supportive of Kelly's theory and the quotation from Bannister and Mair, which Holland has used, does not allow for other possible reasons for psychologists to bypass Kelly's theory. Perhaps the problem is that the theory is too complex, and not weak, which causes researchers to use the repertory grid technique rather than the theory. Beck (1980) has looked at manager's construction of reality and says:

"On the whole though, the increase in the use of grid methodology by management educators has taken place in something of a theoretical vacuum" (p125),

implying that researchers have too readily used the technique without understanding the theory underlying it, therefore missing out on the richness offered by personal construct theory and repertory grid.

However, Holland concedes that the main contribution of Kelly is to put human qualities at the very centre of the theory, rather than to try and build a model out of the non-human contexts of animal behaviour..."to provide a useful counterweight to the predominant style of a natural science approach" (p131). Finally though, he does come down heavily against personal construct theory; "I think it does not stand up at all well to such rigorous testing" (p130).

The theory is now discussed and defined using Kelly's structure of the fundamental postulate and eleven corollaries. It is based on the article by Bannister (1962, pp104 to 120) and contains examples from literature and this study to help with understanding the theory.

The discussion begins with a clarification of the term "construct".

The term **construct** is used to describe that part of the process which a person goes through in interpreting the events around him, i.e. **construing**. A person may construe an apple as being hard compared to a pear which may be soft. The hard/soft dichotomy is the construct which the person has used to distinguish between an apple and a pear and it is this making of choices between alternatives which is fundamental to the theory of personal constructs.

3.2 The fundamental postulate and the eleven Corollaries

A person's processes are psychologically channelized by the way in which he anticipates events.

The postulate may be elaborated with the help of Kelly (Levy, 1956, p54-58);

"all men may be thought of as scientists in the sense that each is concerned with the prediction and control of his environment. Further, each individual seems to develop his own personal repertoire of constructs by means of which he structures his world and tries to anticipate events...psychology of personal constructs is concerned with the ways in which personal construct repertoires develop and change the ways in which they can be utilised in accounting for individual behaviour"

The theory, according to Bannister and Fransella (1971, p16) has been stated in very abstract terms to avoid, as far as possible, the limitations of a certain time and place. According to the authors, it is for the user of the theory to provide the content.

The implication of the theory is that although man is not reacting to the past so much as reaching out to the future, he has to check how much sense he has made of the world by seeing how well his senses enable him to anticipate it. Therefore "a particular man is the kind of sense he makes of the world" (op Cit., p20). In the postulate above, the word "anticipates" links the idea of prediction with the idea of man reaching out and beating the world to the punch (Op Cit., p20)

According to Mischel (1964) there is an important difference between anticipation and prediction. The differences rest on the argument that predictions require hypotheses (based on general laws) which can be statistically tested. They are, therefore, nomothetic. Construct theory on the other hand enables statements on why people do what they do from the perspective of the respondent and the construing of the respondent can only be observed and, perhaps explained, but not predicted.

However, Mischel does concede that one might move towards prediction from explanation, while Kelly argues that constructs are hypotheses which are put to the test of experience, because prediction is the goal. (Mischel, Op. Cit., p180)

This postulate may be interpreted to mean that a person is likely to behave or test his perceptions of events on the basis of how the events are anticipated. If, for example, a person expects an informal chat during his viva, he may approach the event in a relaxed fashion. However, on being informed that the going might get tough the person is likely to approach the meeting with greater caution. Two further examples to illustrate how anticipations might guide behaviour may be drawn from this study.

First, the graduates of the IIMs appear to display their anticipations of how they expect the course to be run over the two years and what they expect from it in the following ways:

At the entry level, graduates are "anticipating" certain roles to be played by the IIMs; therefore their expectations, behaviour and constructs are channelized by the anticipation of modern industrial management, high technology, placement in highly paid jobs and a high quality of education (Faculty and student interviews, 1984). These anticipations are created by:-

- (i) The highly competitive entry process
- (ii) The image of excellence created by the IIMs
- (iii) Job advertisements which state preferential terms for people with MBAs.
- (iv) Informal sources; friends, secondary e.g articles
- (v) Alumni associations

The second example, which reinforces the modern sector orientation is the general unpopularity of electives in special areas of social significance, such as energy, coal and habitat. The students prefer to take industrial marketing and finance courses as these are seen to be more vocationally oriented (Naganna, 1984).

Both examples demonstrate a reinforcing process which takes place, as the faculty of the IIMs anticipate the needs of graduates, providing courses which they feel are relevant to industrial management and useful in vocational terms. The graduates for their part make their preferences (which are guided by their anticipations) known to the faculty and finally, industry is encouraged to come to the IIMs to recruit graduates, thereby completing the tripartite interest groups.

Kelly developed eleven corollaries in support of his postulate and they provide a picture of man "striving for personal meaning" (Bannister and Fransella, 1971, p20).

3.3 Construction Corollary

A person anticipates events by construing their replications.

This suggests that man is building on his past experiences, because although a subsequent event is not exactly the same as the previous one, he construes a similar pattern, thereby helping him with anticipating the subsequent events. Beck (1980, p216) clarifies this corollary:

"Each person will develop his own idiosyncratic model of the world, i.e. there are alternative constructions and this can be used by individuals to anticipate future events. Many of the motivation and learning theories are unified by the theme that managers invent models of the reality of their organisational life which help them understand and anticipate what is going on". These models, according to Beck, "enable the managers to test out and when appropriate, fundamentally modify these models or 'construct systems' which guide their actions at work".

An example relevant to this study concerns the use of case studies as a method of learning. Students of management are expected to learn to solve problems and by using several

case studies through the programme they learn to recognise patterns in real life, which can be applied to their future work settings. This process has been recognised by writers in management;

"One of the major methods of instilling (emphasis added) general managerial capabilities that has been adopted by many European business schools is the use of case studies in class discussions developed by Harvard Business School.."(Whitley R. et al.,1981,p28)

3.4 Individuality Corollary

Persons differ from each other in their construction of events.

Every person is construed as having a different set of experiences and learning resulting in different constructions from each other.

"Each person will develop his own idiosyncratic model of the world, i.e., there are alternative constructions and this can be used by individuals to anticipate future events in a new way". (Beck,1980,p216).

The application of this corollary to the study may be exemplified by the findings of the pilot study (Faculty and student interviews, 1984) when it became apparent that although the IIM students and the IIM faculty may be regarded as parts of their respective groups, each of the respondents had distinctly individual views on the subject of social relevance and the reasons for their career choices. These individual views appeared to be related to their social background, previous work experience, their "maturity". One of the faculty had worked for the coal industry and had seen the poor working conditions and had been affected by it. He was keen, therefore, to try and bring about some change in this sector. Another member of the faculty had a Ph.d. from an American University in computer sciences and construed beneficial development of India in terms of encouraging organisations like IBM and other multinationals. Both members of faculty were united in their desire to see positive development in India, although they were not united in their way of construing the method of achieving this development.

3.5 Organisation Corollary

Each person characteristically evolves, for his convenience in anticipating events, a construction system embracing ordinal relations between constructs.

According to Warren (1966) people are not only different in the way they use constructs, but also the way they organise them. He tested this corollary using a study of the cognitive structure of two social class groups. Warren's work is dependent on the analytical tools available through repertory grid technique, but of interest here, is the variability and intensity of scores. Variability would indicate that construct relationships may be strong or weak while high intensity scores may be interpreted as complete functional identity of conceptual dimensions.

Warren's conclusions about the working classes and middle classes are not of themselves interesting, but his confirmation that constructs do get organised according to some ordinal relations is. Warren's work is based on the studies of cognitive complexity of Bieri (Epting, 1972, p122-125), which is defined as;

"the tendency to construe social behaviour in a multidimensional way, such that a more cognitively complex individual has available a more versatile system for perceiving the behaviour of others, than does a less cognitively complex person".

This is discussed in greater detail in paragraph 3.17 below.

People are expected to have different levels of interest and priorities in their construction of events. If for example a person is asked to list a number of sports, it is likely that he will respond with ones he is most familiar with ahead of others. This is an important corollary to repertory grid technique, as it forms the basis of the principal component analysis, to be discussed in chapter six.

3.6 Dichotomy Corollary

A person's construction system is composed of a number of dichotomous constructs.

The implication of this corollary is that people have a finite number of ways to construe an event and these constructs are entirely dichotomous. Kelly is suggesting that it is useful to consider constructs as if they are bipolar. Unless one has in mind the notion of black and white, it would not be appropriate to describe something as white. The notion of being bad only makes sense as an opposite to good. Kelly also asserts that;

"even where there is no label readily available for the contrast, we do not affirm without implicitly negating within a context". (Bannister and Fransella, 1971, p24)

The major application of this corollary is with the repertory grid technique, because PCT is rooted in the concept of people construing events according to dichotomies. The events, or elements, are categorised on constructs according to one of the two poles. The process of eliciting constructs requires the respondent to say why a pair of elements is similar at the same time how they are different from a third element. For example with the elements policeman, nurse and businessman the first two paired may elicit "helping profession" while being different from businessman as "not helping" or as "exploitative".

Although there is an implication that Kelly is thinking only in bipolar terms, he has suggested that constructs could be used in a scalar model, while still being bipolar in origin. For example;

"We may spend a long time, if we have to get a piano through the door, in measuring, in most exquisite scalar mode, all kinds of dimensions, but eventually we have to decide that the bloody thing will either go through or it will not" (Op Cit.,p25).

This corollary is revisited in chapter six.

3.7 Choice Corollary

A person chooses for himself that alternative in a dichotomised construct through which he anticipates the greater possibility of "elaboration" of his system.

Holland (1970) has described this corollary as a tautology. Bannister and Fransella (Op Cit.) on the other hand suggest that it might also be a complete and integrated theory as a result of this corollary.

"If a person is in business to anticipate events and if he does this by developing a personal construct system, then he will move in those directions which seem to him to make the most sense, i.e. to elaborate his construct system" (Op Cit. p25).

This elaboration may take the form of "definition or extension";

Definition

According to Beck (1980) an individual might confirm the validity of the constructs currently employed by using them to make sense of a novel situation. The novel situation is seen as similar to earlier events. This means that constructs need minor modifications to cope with the variations on the old theme, in other words increasing the definition of the construct system.

Extension

The second way for an individual to elaborate the construct system is when he has to cope with something he has not dealt with before or has poorly understood. The individual does not have a well-defined construct system to cope and has therefore to invent new constructs in order to gain an understanding of them. This process involves extending the construct system and if an individual can do this he is able to increase the range of events which he can understand.

The examples, below, which are relevant to this study, help with understanding the process of extending and defining the construct system.

1) The MBAs face minor modifications to their life-style expectations, usually to a higher social economic grouping. The implication being an increased "definition" in the constructs concerning life-styles. Two observations from the study by Whitley et al. (Op Cit.) reinforce this example:

"It seems likely, therefore, particularly in view of the social biases that are inherent in the workings of the public and the state secondary levels of education systems and university systems, that they will act as agencies to aid the reproduction of advantaged groups"

Elsewhere in their book, they suggest that the postgraduate business schools contribute to upward social mobility;

"None the less, attendance at a prestigious business school may, to some extent, compensate for a relatively non-prestigious education and/or parental background..(which)..may result in some of these relatively disadvantaged business graduates moving fairly quickly into senior management posts..."
(Op Cit.,p29)

2) The vast majority of students move from engineering studies into marketing and finance specialisations extending and defining their constructs. The extension of the constructs regarding functional areas increases, willingly, as the extension is construed to be a part of the vocational and life-style anticipations. The definition of the constructs may be concerned with the managerial roles which the graduates are anticipating. They construe having to deal with the world at a certain level and in certain ways. These anticipations are probably being confirmed by the Indian Institutes of Management.

3) The social responsibility issue, on the other hand, is possibly a completely new construct in a management education context, causing anxiety to the graduates who cannot deal with the new constructs either through

definition or extension, because the constructs are initially outside the range of convenience. The corollary concerned with the range of convenience is discussed next while the emotional response of anxiety is reviewed in paragraph 3.15 below.

3.8 Range Corollary

A construct is convenient for the anticipation of a finite range of events only.

This corollary follows from the dichotomy corollary and means that a construct in a particular context can subsume meanings, but in other cases the constructs may be outside the range of convenience. Furniture, for example, can encompass tables, chairs or office equipment, and may contrast with georgian tables as being works of art. Therefore, although in this context furniture can subsume works of art into the range, it would exclude paintings of sunsets, battle ships etc., as being outside the range of convenience of the construct. There is a focus of convenience which results from a construct. Honesty, for example can mean many things, academic, political, sexual and so forth. This corollary with the dichotomy corollary plays an important role in guiding repertory grid technique.

One of the problems, noted in chapter two above, was defining social responsibility, because it seems to have a focus of convenience within which the various authors were able to subsume many meanings for the term. The connection being attempted between social responsibility and socio-economic development of a country would require the planners and managers to have these two concepts within their construct system. However, if social concerns are outside the range of convenience of the definition of social responsibility, the managers may not include social issues when they make decision choices.

3.9 Experience Corollary

A person's construction system varies as he successively construes the replication of events.

"Man is trying to understand, to make sense of, and to be able to predict the world he inhabits. He does this by identifying recurrent themes in his experience of the world, so that events confronted today are seen as similar to (but not exactly the same as) yesterday."
(Beck, 1980, p216)

Beck goes on to say that the theory assumes that man "invents" or "imposes" themes on his experience in order to make sense of it. This means that man cannot contact reality directly, but must build a model of that reality, which he

can then test for how well it enables him to predict or anticipate future events.

"A personal construct system is not a collection of treasured and guarded hallucinations, it is the person's guide to living. It is the repository of what he has learned, a statement of his intents, the values whereby he lives and the banner under which he fights. A personal construct system is a theory being put to perpetual test" (Bannister and Fransella, 1971, p27)

Therefore, if a person construes social responsibility in terms of making a profit or not making a profit he is unlikely to alter the construction unless someone points out to him that social responsibility may actually embody a larger meaning. This corollary is closely allied to the choice corollary; a person is continually having to make choices and these choices are guided by the person's experience. The construct system of the individual is therefore under constant test.

An example of this corollary in action is the social involvement project at the Indian Institute of Management at Bangalore. Each year, the summer projects have required the students to examine problems of the urban and rural poor, some public utility, transport and other social concerns. The objective of the IIM has been to familiarise the graduates with social issues, which they might not have come across earlier, due to their social origins and to make them aware of possible solutions or effects of decisions they might make in the future as managers. (Bandyopadhyay, 1982). According to the same review document these projects have not been successful as the graduates have not seen the relevance of spending the summer months on issues which will not help them with placements.

3.10 Modulation Corollary

The variation in a person's construction system is limited by the permeability of the constructs within whose range of convenience the variants lie.

This corollary defines the condition governing the total amount of change possible within a construct system or subsystem. The more permeable the persons superordinate constructs, the more likely he is to be able to vary subordinate aspects of his construing system. "The theory of constructs is a theory of change" (Bannister and Fransella, 1971, p28) so this corollary helps to explain the degree of change which is possible to a person's construct system. If the person has an impermeable system, he will seek to find ways to avoid new situations, which might require him to make changes. However, someone with a permeable construct system would be quite happy to encounter

new situations because these can be used to make sense of the events.

In the context of this study, the question of change is important. On the one hand tertiary education is meant to facilitate change, for example through the professionalisation of management (Harbison and Myers, 1964), and this change is valued by industry. On the other hand managers are expected to be socially responsible in a developmental sense, which perhaps creates conflicts in the way managers regard their role. Therefore managers are likely to use permeable constructs to deal with new situations, in order to make sense out of them.

However, if the constructs tend to be impermeable, the likelihood is that the new situation will be shoehorned into the existing system, however bad the fit. (Bannister & Fransella, Op Cit., p29). This may well be the problem faced by economic theorists who are dealing with man as if he were an organism who responds to pulls or pushes. Such a construct is fairly impermeable to the notion of man "as a person", so that when the definition of social responsibility is introduced into the area of economics and management there is a strong tendency to define it purely in terms of the person's response to economic situations, as exemplified by Friedman's (Op Cit. paragraph 2.2 above) definition of social responsibility and some of the counter arguments covered in chapter two.

With the requirements for modernisation, perhaps the managers behave as though they have fairly permeable constructs in terms of the technology requirements, profit motivation, industrial relations and other management issues, but due to the apparent conflict, they may respond with seemingly impermeable construct systems when it comes to socially responsible behaviour.

3.11 Fragmentation Corollary

A person may successively employ a variety of construction subsystems which are inferentially incompatible with each other.

When construct subsystems are directly compared they may seem incompatible, but reference to a superordinate system will show a line of descent from one system to another. For example you can't count cows and horses unless they are thought of as animals.

This corollary is explained by Bannister and Mair (1968,p22) as follows:

"Although the presence of permeable constructs may allow the variation of aspects of a person's construct system to accommodate new evidence, this does not mean that a person's system will be completely logically related, with every other construct being implied by every other one. The way a person will behave today cannot necessarily be inferred from the way he behaved yesterday. A parent may kiss and hug a child at one moment, smack him a little later and shortly afterwards ignore him when he insists on showing off by excessive chattering. To the casual observer, it may seem that one response could not be anticipated from the previous one and that grossly inconsistent behaviour and constructions were being adopted by the parent. This may be the case, but need not be so. Just because different constructions do not seem consistent with each other and one cannot be inferred from the other directly, it does not mean that no consistency exists for the person involved or for some other observer of the scene. When, for example, the parent's superordinate constructs concerning love and training are considered, some thread of consistency in the various actions may be noted".

Therefore one cannot as a psychiatrist (or researcher) attempt to predict behaviour from a knowledge of the low level constructs. One can only attempt such prediction if we know the superordinate constructs which govern both. A knowledge of the core constructs might help to explain the behaviour of the individual, and from explanation (as already suggested) one might move towards prediction. Discovering the core constructs of a person has been made possible through the development of repertory grid technique, particularly the analytical tool of principal components. Both of these issues are discussed in chapter six.

In this study, the superordinate constructs which the individual uses for defining social responsibility can provide an insight to the psychological processes used in anticipating events which require socially responsible decisions. Someone, for example who might have "service and dedication" as a core construct might construe managerial behaviour in different terms to someone with a core construct of "loyalty to the organisation".

3.12 Commonality Corollary

To the extent that one person employs a construction of experience which is similar to that employed by another, his processes are psychologically similar to those of the other person.

This corollary is the opposite of the individuality corollary as it asserts that people are not similar because they have experienced similar events, nor because from time to time they display similar behaviour or verbal labels. They are similar because they construe in similar ways, i.e. they;

"discriminate, interpret, see the implications of events in similar ways. They are similar in so far as, and with respect to events which have the same meaning for them" (Bannister and Fransella, Op Cit., p30).

This is an interesting corollary as it does not require subjects to undergo the same experimental situations in order to find out whether they are similar or not. People in the 'same' situation may behave similarly for a short period but attach different significances to the events. However, if it is possible to explore the personal constructs of individuals we may be able to discover their similarities or differences in psychological terms although they may be in apparently different situations.

Acceptance of this corollary enables us to slot people together in commonality according to the interpretation of the principal components. Although, in this study the initial comparison is between the graduates of the IIMs with managers in equivalent jobs, but without the postgraduate management education, it may be necessary to reclassify the sample according to their construction of social responsibility. Postgraduate management programmes, after all, merely exemplify tertiary education, and in the much wider context of society, it is important for more than just the managerial elite to be socially responsible.

3.13 Sociality Corollary

To the extent that one person construes the construction processes of another, he may play a role in the social process involving the other.

According to Bannister and Fransella (Op Cit.) this is a key corollary as it explains why people bother with each other at all. Interactions between people is said to be in terms of each person's understanding of the other. It does not mean that we interact only with those people with whom we identify similar constructs, rather, that we can play a role in another person's construct system because we are able to

interpret that system. For example an adult may interact for a long time with a child, because the adult can gain a meaningful picture of the child's construct system.

However (as already mentioned) this corollary has been criticised for being tautological and untestable. It is evident from a close reading of the corollary that it can be construed as untestable, thus allowing a major weakness into the theory. However, the theory is helpful as a guide to research.

The suggestions of weaknesses in personal construct theory and the reluctance of some social scientists to accept it may be explained with the help of PCT. Kelly was critical of social science in his day, first for not treating man as if he were a person and secondly for the fragmented approach to research. These assertions of Kelly may have appeared threatening to all the main values that social scientists stood for and believed in. Therefore, with core values being threatened, social scientists are likely to have faced emotions, discussed below and thereby responded with aggressiveness and in some cases a complete rejection of the theory.

Indeed, one might suggest that Kelly has offered social science a new paradigm in research methodology, particularly with his interpretation of man "as a person".

"The man who embraces a new paradigm at an early stage must offer to do so in defiance of the evidence provided by problem solving. He must, that is, have faith that the new paradigm will succeed with the many problems that confront it, knowing only that the older paradigm has failed with a few. A decision of that kind can only be made on faith". (Kuhn, 1962, p157).

Kuhn may have provided the critics of Kelly a view of where his theory might stand. Kelly himself regarded theories as expendable because he saw a distinction between a dogma which we live by and a theory which we live with. (Bannister and Fransella, 1971, p14). These authors present construct theory as complete and fully stated, although developed in abstract terms to avoid, as far as possible, the limitation of a particular time and culture. It is for the user to provide the content.

If Kelly is offering a theory which takes social research into a new paradigm, perhaps some of the developments of the theory should be reviewed here to enable further debate of the proposition. The closeness of Kelly's and Kuhn's direction of approach to the notion of taking an alternate view of research and the scientific process can be found in the quotation, below, by Kuhn (Barnes, 1982, p17).

"Looking at a contour map, the student sees lines on a paper, the cartographer a picture of a terrain. Looking at a bubble-chamber photograph, the student sees confused and broken lines, the physicist a record of familiar subnuclear events. Only after a number of such transformations of vision does the student become an inhabitant of the scientist's world, seeing what the scientist sees and responding as the scientist does". (Kuhn in Barnes, p17).

It is evident that Kuhn's idea of what a student "sees" and how this perception changes is similar to Kelly's construct theory, where the latter would interpret what the student "sees" as the "construct" which is then modified through learning and experience.

3.14 Discussions of Construct theory

Kelly (in Maher, p66,1979) says of his own theory:

"This paper, throughout, deals with half-truths only. Nothing it contains is, or is intended to be wholly true. The theoretical statements propounded are no more than partially accurate constructions of events, which in turn, are no more than partially perceived".

The stand which Kelly has taken to describe his theory has been done within the framework of his own theory. It leaves the door open for an alternative view and states the theory as a construction rather than as a dogma.

He gives his reason for this stand:

"One of the troubles with what are, otherwise, good theories in the various fields of science is the claim to infallibility...But because the facts themselves are open to reconstruction, such a theory soon becomes dogmatism that may serve only to blind us to new perceptions of the facts" (Op Cit., p67)

The assertion appears to be perfectly reasonable when dealing with behaviour, since the data base from which one is operating can change in numbers, culture, situations leading to reconstruction of the theories. In the next chapter, for example a method of classification based on career anchors (Schein, 1978) has been used. When the work was first undertaken, five major anchors were "discovered" using a panel of 44 alumni of the Massachusetts Institute of Technology. However, subsequent research, discussed in the next chapter, has revealed many other career anchors. It is likely that as the sample size keeps growing so other anchors may be "discovered".

An interesting aspect of Kelly's view of how a theory should be proposed is contained in the fact that his theory is reflexive, which means that it is an act of construing accounted for by personal construct theory. This view is based on the belief that a researcher cannot stand apart from the research and the construing process does play a part in the development of the research. For Kelly, a clinical psychologist, the reflexivity of construct theory is important as he saw his clients developing solutions to their own problems through the process of construing the elements and relationships during counselling.

One might get the impression that construct theory suggests man to be cold and calculating along the various dimensions offered by the fundamental postulate and the corollaries. Although Kelly has described Man as Scientist, because he saw little difference between what people normally did in the way they approached situations and the way psychologists approached problem solving, he has allowed for emotions when the core constructs are under threat (Beck, 1980).

3.15 Emotions and responses to changes in core constructs

Core constructs, which are an integral part of behaviour, are used to understand and maintain a person's identity and self image, (Norris and Makhoul-Norris, 1976). Therefore when the core constructs, or self image are facing change, there will be an expression of emotion. Definitions of the term emotion are given by Beck, (1980) and Bannister & Fransella, (1971) and may be considered in the overall context of the suggestion made above in paragraph 3.7 that "social responsibility" may be a new construct which MBAs are asked to face and the emotional reactions may take one of the following courses.

1. Threat; the awareness of an imminent comprehensive change in one's core constructs. When major beliefs about the nature of personal, social and practical situations are invalidated, a person is likely to feel threatened. According to Bannister and Fransella, threat is an extremely important construct for those people engaged in helping others, because the help given may cause the recipient to take hasty actions or withdraw. In the construct theory sense of the term, threat is construed as a form of psychological violence. This is exemplified by some empirical evidence. At the Indian Institute of Management in Bangalore the failure of the social involvement projects (already mentioned) was accompanied by considerable protest by the students. Perhaps the core constructs, or self image as managers in modern India was being invalidated.

2. Fear; awareness of an immediate incidental change in one's core constructs. When a more peripheral part of a person's world becomes meaningless and unpredictable, the person experiences fear. Since the superordinate constructs are not being threatened or invalidated, there is no sense of being overwhelmed, but there is a distinct sense of fear at the impending change.

3. Anxiety is the awareness that the events with which a man is confronted lie mostly outside the range of convenience of his construct system. People become anxious when they can only partly construe the events they encounter and too many of their implications are obscure. Examples of anxiety would include provision of books for the illiterate, adulthood for the adolescent and death for all of us. It is the aspect of the unknown which causes anxiety. The implications for this research is the possible anxiety which may be caused to the respondents when dealing with definitions of social responsibility. Or, perhaps the complexity of personal construct theory can cause anxiety among researchers who are trying to understand it.

4. Guilt; when we are aware that we are not able to establish a role relationship with others which we normally would in this situation. (Beck, 1980, p219). Another definition is the awareness of dislodgement of the self from one's core role constructs (Bannister and Fransella, 1971, p36). The implication of these definitions is that as a person deals with the core constructs to make sense of his own behaviour and the relationships with others, if he cannot understand or predict as he thought he could he is likely to feel guilt. If a person discovers that he is not the person he thought he was the experience is likely to be disturbing and result in ritualistic behaviour.

5. Aggressiveness; active elaboration of one's perceptual field. This is an attempt to define aggression, in terms of what is going on inside the individual. Therefore a person is being aggressive when he is checking the validity of his construing, when the range of the construing is being extended and redefined. As a person goes through this process, the people around might find it uncomfortable, see it as an attack upon them and respond to handle the situation as such.

6. Hostility; when a person tries to deny the discomforting evidence to make it appear that prediction has been validated. This emotional response has been well described by Bannister and Fransella (Op Cit., p35):

"There are times when, if his construct system is to be preserved, a person simply cannot afford to be wrong. If he acknowledges that some of his expectations are

ill-founded, this might involve the modification or abandonment of the constructions on which those expectations were based. If in turn, these constructions are central to the whole of his system, he might well be faced with chaos, having no alternative way of viewing his situation. In such a situation, the person is likely to become hostile".

The definition of the emotional reactions, and the earlier clarification of the term "construct" necessitates, at this point, further discussion of the types of constructs which a person may develop as a result of experiences, construing and emotions.

3.16 Typologies of constructs

A semantic description of the different types of constructs has been provided by Kelly according to the control they have over the elements;

Pre-emptive constructs are those which deny the right of the person to construe events in any other way. They restrict the person from taking a much broader view of the world around. A person described as a crook would be seen as nothing but a crook.

A constellatory construct is one which fixes the range of ways in which the person may construe. It also reduces the number of ways in which the world can be construed, as it deals in stereotypes or typological thinking. The person who is a crook may also be dangerous, a menace to society, have shifty eyes and so on.

Propositional constructs are those which carry no implications about the range of elements and constructs we are dealing with. These are constructs which set up propositions "as if" and help to look at constructs to help make sense out of them. It may be helpful to construe someone as a crook, in order to take care, but equally the person may be a friend, a benevolent despot (Robin Hood ?) or just a confused person.

Although the constructs have been offered as fitting one of three typologies, they ought to be viewed as ways of construing or else they become pre-emptive.

There are another four ways of construing constructs, based on what happens to them. These are;

Dilation: when a person broadens the perceptual field in order to reorganise it on a more comprehensive level.

Constriction: when a person narrows the perceptual field to minimise apparent incompatibilities.

Both of these processes are simply to help a person make sense of the world in which he functions and do not imply good or bad. A person may dilate to broaden his world view, or indeed into chaos. A similar fate can occur to a person who constricts his views to either focus on a specific issue or get trapped in trivialities.

Loosening of construct can lead to varying predictions while maintaining their identity.

Tight constructs however lead to unvarying predictions.

In fact, the process of loose/tight constructs is typical of the process undertaken during research when a person has to broaden the field of vision to take in a broad picture, but then has to tighten the constructs in order to pull the strands of thought together. Writers on creative thinking also suggest the process of dilation and constriction in their own terminology (Khandwalla, 1984).

There is some merit in introducing the proposition that the debate between quantitative research and qualitative research is the debate between types of social research which are either tight pieces of research or loose types of research. McDonald (1986), for example, has suggested that research in marketing has concentrated too much on analysis of great volumes of data, having thereby lost the essence of what is required. He suggests that an overemphasis on quantitative research has led to the discovery of "mega-trivia" and the field of marketing requires more efforts which are qualitative. This call may extend to other fields of social research where, in the words of Kelly, one is dealing with "half-truths"

From the point of view of the social relevance of management education, one is left to speculate about the managers. If they tend to tight forms of constructs, or indeed pre-emptive or constellatory ways of construing, then instilling change towards social concerns may be more difficult than with those people whose constructs are likely to loosen, be propositional or dilate outwards to accept new core values.

In addition to the typologies of constructs, there is some discussion in the literature about the ownership of constructs. Kelly, being a clinician, subscribed to constructs which were elicited from his patients, as he believed that he was listening to the patients and not offering them constructs from which they would choose, because, their constructs were personal. However, the needs of research in various fields have led scientists to provide their own constructs, which the respondents can rate according to a scale, so that hypotheses of the researcher can be tested. Although this latter application appears to be inconsistent with the "pure" definition of constructs

there do seem to be reasonable grounds for suggesting that both forms of constructs are legitimate for purposes of research and this point is taken up separately in chapter six.

In fact, the "providing" of constructs brings repertory grid technique, (not PCT), in parallel with semantic differential technique (Osgood, 1975). In this latter method, respondents rate the words provided by the researchers, thereby attaching their own meaning to the terms provided. The use of provided constructs therefore is similar to Semantic Differential, because the respondents attach their own construction to the constructs by rating them on a scale. However, the similarity ends there as the methods of analyses and uses are very different.

Having defined the theory in its component parts, the section below now turns to a brief review of some research to exemplify the developments which have taken place in personal construct theory. There has been considerable research using PCT and the repertory grid technique. Bibliographies can be seen in books by the following authors: J.R. Adams-Webber (1979), Fransella and Bannister (1977) and Stewart, Stewart and Fonda (1981).

Most of the research has been conducted by psychologists and there is therefore little of significance in the management area, and most of what there is concentrates on the uses of repertory grid, for example; Stewart et al. 1981 and Smith, 1980. There is certainly nothing which helps to examine the social responsibility of managers, although Beck (1980) has attempted to examine management education with the help of this theory.

The discussions below are on the border of relevance to this study, with the paper by Lifshitz (1974) being the nearest similar use of PCT so far found in the literature. His paper on social workers has been used as a concluding piece to this chapter.

3.17 Developments in Construct Theory

The first paper considered here, is an example of one of the more notable areas of development and is based on the concept of cognitive complexity originally developed by Bieri in 1955 (Epting, 1972).

This concept is defined as "the tendency to construe social behaviour in a multidimensional way, such that the more cognitively complex individual has available a more versatile system of perceiving the behaviour of others than does a less cognitively complex person". There is a close resemblance to the Organisation corollary and the concept got support from computer based analytical tools. The

particular interest of Epting's work is that he tested cognitive complexity using repertory grid technique. He devised a 10 x 10 grid and a Social Issue Cognitive Complexity grid. Epting used international, national and local issues with his respondents through provided rather than elicited constructs.

Further research on the issue of cognitive complexity was done by Honness (1976) where he tested the hypothesis that a cognitively complex person is "set" to seek less common features in his social environment. This received strong support from the findings of the study. His measure of a cognitively complex person is one who is more discerning and more able to differentiate among the elements and constructs. A complex person seeks diversity in terms of their judgements of the social environment.

There is a third piece of research, done by Heim (1970), suggesting that personality - in the non-arithmetic sense is a combination of several things. The study concerned relationships between intelligence and personality with the finding that the more "intelligent teachers" were better able to differentiate the performance of their students. This assertion creates a problem within the framework of personal construct theory and her own assertion that personality is made up of a combination of factors, because apart from the problem of measuring intelligence, it would be difficult to isolate any one factor as the reason for the higher or lower level of differentiation,

One further example of research on organisation corollary, by Warren has been described in paragraph 3.5 above.

A study by Ryle and Breen (1974) on change in the course of social work training found that role models seemed to be important as origins of social work. This finding is interesting as a link to the final paper reported here, which is by Lifshitz (Op Cit.) who tried to study common characteristics and changes which take place during training.

He used a student group and an experienced group of social workers. He found that the student group were concerned with concrete descriptive categories while the supervisors showed a more abstract ability, a concern with their own self development, others and their task. He was able to label the most frequently occurring constructs into the seven categories below;

1. Task orientation: e.g. diligence, hard working etc.
2. Description of concrete situations: age, sex, profession.
3. Abstract intrapsychic characteristics: self-awareness

4. Abstract interpsychic (interpersonal): wish to help others.
5. Abstract social values: concern with equality, justice.
6. Intellectual: abstract thinking.
7. Affective-egocentric: good to me.

The differences found by Lifshitz could be for three reasons, either on their own or indeed together; first the course may be having the desired change effect or secondly it could be attributed to age difference implying greater experience, understanding etc., of the supervisors and thirdly there might be a combination of all three factors. Lifshitz' main finding is that the younger person looks more for external models to shape and integrate behaviour.

This may imply that it is not merely the course content which can make a difference to the constructs of students, but the credibility of the teacher who may be used as a role model. He goes on to suggest that maintaining a positive and respectful relationship with the socialising parent is important for the formation of altruistic causes among social workers and enforced rehearsal of helping others or assuming the role of the respected model, they begin to understand what characteristics are required to be able to achieve and behave like the positive figure.

However, training and on the job interactions can supplement certain prior cognitive and effective structures, if the person's attitude is to evolve mainly around altruistic concerns. This assertion of Lifshitz can be seen either as an extension or definition of a persons constructs. In this study, the training and on the job interactions are reinforcing the career tracks and aspirations for all but a few who are responsive to the social involvement projects, voluntary or otherwise.

3.18 Relevance of PCT to this study

Personal Construct Theory has been defined, exemplified and discussed with the intention of demonstrating its relevance to this study. It appears to be a most helpful framework for the study of a concept like social responsibility which has been written about in large volumes, although the quality is variable. Since social responsibility, as a term, appears to have a wide range of convenience for most people, having many meanings, eliciting different reactions from the various authors, it is expected that this theory will help to develop a better understanding of what social responsibility is construed to be, by Indian managers.

The theory is even more helpful for this study by enabling a link between the national macro objectives and the micro setting of managerial behaviour which seek to operationalise the national goals of social justice alongside industrial modernisation.

Reference is made to this theory, next, in chapter five where the thesis objectives are set out. However, before the thesis objectives are established there is one more area of concern which has to be elaborated, the social origins and the career aspirations of the managers.

For this study, the social origins and career aspirations are merely ways of classifying the managers, with and without postgraduate management education according to their educational backgrounds, their parents education and jobs, the kinds of companies the respondents work for, their jobs and career orientations. The major references for the next chapter (four) are those of Whitley R. et al (1981) and Schein (1978) whose studies have been used as methods of classification in this research.

References

- Adams-Webber J.R.; Personal Construct Theory. Concepts and applications. John Wiley and Sons, 1979.
- Bandyopadhyay J.; Social Involvement Project (SIP). Experiments in alternate management education. IIM - Bangalore, January, 1982.
- Bandura A.; Principles of behaviour modification. Holt, Reinhart and Winston Inc., USA, 1969.
- Bannister D.; Personal Construct Theory: A summary and experimental paradigm. Acta Psychologica, 20, pp 104-120 1962A.
- Bannister D. & J.M.M. Mair.; The evaluation of personal constructs. Academic Press, 1968
- Bannister D. & Fay Fransella.; Inquiring Man. The theory of personal constructs, Penguin, London, 1971.
- Barnes B.; T.S. Kuhn and Social Science, MacMillan Press, 1982.
- Beck J.E.; Changing a manager's construction of reality: The perspective of personal construct theory on the process of management education, in Advances in management education. (Eds) Beck J. and Cox C., J.Wiley and Sons, UK, 1980.
- Epting F.R.; The stability of cognitive complexity in social issues. British Journal of social and clinical psychology, Vol.11, pp 122-125, 1972.
- Faculty and student interviews ; Pilot study and interviews at Ahmedabad and Bangalore during December 1984.
- Fransella Fay & D.Bannister.; A manual for repertory grid technique. Academic Press, 1977
- Harbison F. & C.A. Myers.; Education, manpower and economic growth. McGraw Hill, London, 1964.
- Heim A.; Intelligence and personality. Their assessment and relationship. Penguin Books. UK, 1970.
- Holland R.; George Kelly: Constructive Innocent and Reluctant Existentialist in Perspectives in personal construct theory, Bannister D. (Ed.), Academic Press, London, 1977
- Honness T.; Cognitive complexity and social prediction. British Journal of social and clinical psychology, 15, pp 23-31., 1976.

Khandwalla P. ; Fourth Eye, Excellence through creativity. A.H.Wheeler and Co., Bombay, 1984.

Kuhn T.S.; The structure of Scientific Revolutions, 2nd edn., University of Chicago Press (first published 1962).

Levy L.M.; Personal constructs and predictive behaviour. Journal of Abnormal Soc Psychology, 53, p54 -58, 1956.

Lifshitz M.; Quality professionals: Does training make a difference? A personal construct theory study of the issue. British Journal of social and clinical psychology, 13, p183 -189, 1974.

McDonald Malcolm H.B.; Methodological problems associated with qualitative research: Some observations and a case analysis on international marketing planning. Graduate Management Research, Vol 3, No.1, Spring/Summer 1986.

Maher B. (Ed.); Clinical psychology and personality: The selected papers of George Kelly. R.E.Krieger Publishing Co. N.Y., 1979.

Mischel T.; Personal Constructs, Rules, and the logic of clinical activity. Psychological Review, Vol.71, No.3., PP 180-192., 1964.

Naganna N.; Faculty interviews, IIM - B, December 1984.

Norris H & Fawzeya Makhlouf-Norris; The measurement of self-identity in The measurement of intrapersonal space, (Ed.) Slater P., J.Wiley, London, 1976.

Osgood C.E., George J.Suci & Percy H. Tannenbaum; The measurement of meaning. University of Illinois Press, Urbana, Chicago, USA., original publication 1959, 9th reprint, 1975.

Ryle A. & D. Breen ; Change in the course of social-work training: a repertory grid study. British Journal of medical psychology, 47, pp139-147, 1974A.

Schein E.; Career Dynamics. Addison-Wesley. USA, 1978.

Stewart V., Andrew Stewart and Nickie Fonda; Business Applications of Repertory Grid. McGraw Hill, UK, 1981.

Smith M.; Applications and uses of repertory grids in management education in Advances in Management education. (Eds.) Beck J and Cox C., J.Wiley and Sons, UK, 1980.

Warren N.; Social class and construct systems: An examination of the cognitive structures of two social class groups. British Journal of social and clinical psychology, 5, pp 254-263, 1966.

Whitley R., A. Thomas and J. Marceau.; Masters of Business?. Tavistock Publications, London and New York, 1981.

Bibliography

This bibliography has been prepared in support of two assumptions which are critical to this study. First, That knowledge of a person's construct system will assist in predicting that person's future behaviour and secondly that people actually behave according they way they describe their own attitudes, beliefs and values. The body of literature which is presented is deliberately diverse, including clinical psychology, buyer behaviour, marketing, economics and motivation theories as examples of disciplines which rely on predictions of human behaviour.

Clinical psychology

Bannister D. (Ed.); Issues and approaches in Personal Construct Theory. Academic Press, London, 1985

Mancuso J.C. & J.R. Adams-Webber.; The construing person. Praeger Publishers. USA, 1982.

Both of the books above present personal construct theory in some depth with research findings based on the fundamental postulate and corollaries.

In addition to these the variety and scope of material on personal construct theory can be judged by the fact that there are over 360 references provided by J.R. Adams-Webber in his book "Personal Construct Theory" (Op Cit.), while Fransella and Bannister (Op Cit.) have provided an anotated bibliography comprising 105 journal articles, three of which are noted below to support the assumptions mentioned above.

Crisp A.H.; An attempt to measure an aspect of "transference". British Journal of medical Psychology, 37, p17-30, 1964

Rowe D.; An examination of a psychiatrist's predictions of a patient's constructs. British Journal of Psychiatry, 118, p231-244, 1971.

Mair J.M.M.; Prediction of grid scores. British Journal of Psychology, 57, p187-192, 1966.

Other references from personal construct theory:

Rosenthal D.; Changes in some moral values following psychotherapy. Journal of consulting psychology, 19, p431-436, 1955.

Thomas Laurie F. & E. Sheila Harri-Augstein; Learning to learn: The personal construction and exchange of meaning in Adult Learning: Psychological research and applications, (Ed.), Howe M.J.A., J. Wiley, 1977

Buyer behaviour

A considerable body of literature has built up on the theories and issues of buyer behaviour. Researchers have attempted to classify and describe buyers in an attempt to predict buying patterns, so that organisations can meet the needs of customers and make plans for marketing and production. The two references given here exemplify some of the issues in buyer behaviour theory and demonstrate the linkage which researchers hold between expressed attitudes and subsequent behaviour.

Howard John A. & Jagdish N. Sheth.; The theory of buyer behaviour. John Wiley and Sons, New York, 1969.

Fishbein M.; A behavior theory approach to the relations between beliefs about an object and the attitude about the object in Readings in Attitude Theory and Measurement, Ed. M. Fishbein, p389-399, John Wiley and Sons, 1967.

Marketing

Theories of market segmentation, Types of markets, advertising strategies Awareness, Interest, Decision and Action. The marketing mix. All of these models rely on a central assumption that man will behave according to the way researchers have anticipated human behaviour. A standard textbook which covers these and other marketing principles is by Philip Kotler.

Kotler P.; Marketing management. Analysis, Planning and Control. Third edition, Prentice Hall, 1976

Economics

Major assumptions about the effects of technology on inputs and outputs. The suggestion has been that for a given level of technology, investments will yield certain proportions of returns to society. The movement of the ratio and the assumptions which go to make up the capital input/output ratio have been studied extensively. A leading reference in this area is Kaldor.

Kaldor N.; The irrelevance of equilibrium economics. Economic Journal, Vol. 82, p1237-1255, 1972

Kaldor essentially questions the works of Harrod and Domar in the paper mentioned above. It is this particular model of the effects of capital which set up assumptions and debate on mechanisms of economic growth.

Harrod R.F.; An essay in dynamic theory. Economic Journal, p14-33, 1933.

Further assumptions about human behaviour can be found in texts on micro-economics. These are exemplified by the following;

- * Price elasticity of demand.
- * Demand and Supply curves.
- * The notion of equilibrium in a free market economy.
- * Market behaviour under conditions of perfect competition, oligopoly and monopoly.
- * Circular flow model

A leading text which covers these assumptions and theories is written by Lipsey.

Lipsey R.G.; An Introduction to Positive Economics. Weidenfield and Nicholson, 5th edition, London, 1979.

Motivation and organisation behaviour theories

There is a huge body of literature on human behaviour, all of which is based on the way researchers construe the actions and statements of people. Researchers have to assume that people will, in future, behave according to some prescribed role and this "prediction" is made on the basis of the researchers' observations and what respondents in various studies tell them.

As a result of these studies, there are theories on attitudes, motivation, leadership, communication and organisation behaviour; all of which are attempts to predict the future behaviour of people and none would be possible without the central assumption that people will behave according to the models and theories, which in turn have

been generated from studies. A standard textbook which covers most of the theories has been written by Charles Handy.

Handy Charles B.; Understanding Organisations. Penguin Books, 1976.

Chapter Four

Social Origins and career orientations

"Attitudes, values and expectations are likely to differ in the kind of social knowledge available to the children" (Whitley,p91,1981)

4.0 Introduction

This chapter deals with two methods of classifying the Indian managers. The first method is concerned with the question of where the managers come from, what they do and where they work. Implicit in the social origin issue is the debate of whether the MBAs and their matched non-MBA peer group are members of the social elite or whether they have experienced upward social mobility. The second method is based on the career orientations of managers. A career orientation, or anchor, is a self image based on life's experiences, education, attitudes, skills and values which guides the person through his career choices. A self image is said to be strong and a person will not give it up when faced with making a choice.

Both of the methods of classifying will help with understanding some of the background to the Indian MBAs and their matched non-MBA peer group. The methods selected for the background do not include some of the more familiar demographic methods of classification, such as age and sex, because it was felt that they would not aid the understanding of social responsibility, whereas the background data which these two methods would provide are more likely to be of help.

The study of social origins is based largely on the work by Whitley et al.(1981) and a survey by Business India (1982). Discussions from these two sources with examples of relevance to this study forms the first part of this chapter. The second part of the chapter is based largely on the work by Edgar Schein (1978) who developed the notion of career anchors from his study of a panel of alumni in the USA.

4.1 Social Origins of MBAs in India and Europe

The guiding principles for the study of the social origins of Indian managers may be summed up with the help of the following quotation:

"Attitude values and expectations are likely to differ in the kind of social knowledge available to the children" (Whitley,p91)

The implication is that their social origins are likely to play an important role in the formation of the social values of managers. In chapter one, it was suggested that the social responsibility and concerns of the managerial elite were of interest to the planners as they saw the translation of national objectives into action at micro levels being achieved through this group. Therefore, if the social origin of the MBAs is likely to govern their attitudes it is important to know what their origins are. The point is also

made by Drucker (1977), who suggests that the role of business leaders has grown in importance as the power and influence of corporations has grown. Business leaders cannot, therefore, ignore their "social responsibility" and must in many cases take the initiative. In India and indeed in other countries, the social origins of these business leaders is likely to affect their way of construing social responsibility.

Whitley has suggested that privilege can be classified according to economic capital and social capital, both of which then influence the kind of social knowledge available. Economic capital is the level of household income available to the family, while social capital is defined as access to various levels of privilege in society. For example, farmers may have considerable economic capital, but may not have access to the higher professional society thereby missing out on the information and contacts available. His social knowledge would therefore be limited and he may not be able to exercise much influence on the development of society.

The data available from India makes it possible to consider the economic advantage of Indian MBAs, and from this, infer the social knowledge and advantages available to them. The European study provides details of the socio-professional categories of the MBAs from which it is possible to infer the economic advantage, but where the social advantage is explicit. The comparison between Indian and European MBAs has been made because both regions began the MBA programmes around 25 years ago, having imported the degree, objectives, pedagogy and expectations from the same sources in the USA.

4.2 Household Incomes of Indian MBAs' families

The household incomes for the families of the MBAs just before they joined the Indian Institutes of Management has revealed that they are largely from the 10% of Indian society which earns more than Rs.1,000 per month. The table below illustrates the distribution of income:

Table 4.0 Monthly household income

Rupees	%	Cumulative
5001 +	7.2	7.2
3001 - 5000	28.8	36.0
2001 - 3000	29.7	65.7
1501 - 2000	13.5	79.2
1001 - 1500	10.8	90.0
501 - 1000	7.2	97.2
250 - 500	2.7	100.0

Source Business India (19.7.1982)

The significance of the data can be illustrated by using the majority Rs 2,000 to Rs 5,000 per month group and comparing it with the income per head figures for India. The comparison must be made with a degree of caution because the sources are not clear whether the "household" income represent the total or the primary income. Secondly, the income per head figure for India has to be multiplied by a suitable multiplier to achieve total household income and in the Indian context this could be five times the income per head.

Even with the lowest assumption for the MBA families, i.e. household income is total income and using the income per head (\$268 X Rs 10 per dollar) multiplied five times for the national average, the majority of MBA families clearly come from the upper income groups in India.

MBA families		National Average
Income per month	Total annual	Income p.a.
Rs 2,000	24,000	2680 X 5 = Rs 13,400
Rs 5,000	60,000	

It is clear that MBAs appear to possess greater economic capital in India, and this may be compared to the situation with the alumni of European business schools. However, one comment about the economic capital of Indian MBAs may be made before passing onto the next section. The comparison with national figures has to be made with caution in a country with such sharp contrasts, where just 300,000 people have postgraduate education and the national "average" includes a vast rural population with much lower incomes. The economic capital needs to be examined in the context of their social capital in a similar way to the study by Whitley et al., discussed below.

4.3 Socio Professional origins of European MBAs

Whitley et.al. have analysed the socio-professional origins of European MBAs, in terms of father's occupation, which shows that the majority were drawn from the privileged strata of each country. The sample were drawn from the alumni of London and Manchester Business Schools in the UK and from INSEAD in France. The study has grouped the alumni into four categories, as shown in the table below:

Table 4.1 Socio-Professional origins of European MBAs, in terms of father's occupation

British			French		
Category	n	%	Category	n	%
-----			-----		
(A)	136	29		135	36
Business Owners					
Top Managers			Patrons		
(B)	120	26		94	25
Higher Professionals			Liberal professions		
Administrative			cadres superieurs		
(C)	69	15	(public)	91	25
Other managers			Cadres moyens		
			Cadres superieurs		
(D)	139	30	(private)		
Lower professionals				50	14
small proprietors			Small proprietors		
clerical, manual			clerical, manual		
farmers			manual		

+++++

Source: Whitley R et al. p92

+++++

There does seem to be a greater concentration of social privilege among the French MBAs compared to their British counterparts, particularly if the bottom category is considered, as there are proportionately more British graduates from the lower groups who have gone through the Business Schools.

In socio-economic terms there seems to be strong evidence to suggest that MBAs come from the higher strata of society. There are linkages of this factor with the forms of education which the parents' and the alumni have had. Perhaps the social capital provides access to schools and Universities which help to distil social knowledge of a particular kind, leaving attitudes and value systems having particular effects on society.

The data on the kinds of schools and Universities which the graduate MBAs have been to is screened at the time they apply for admission, therefore the types of people who get into the Business Schools is governed by the entry qualifications and procedures of the Institutions.

4.4 Indian entry requirements

There are basically four stages to the entry process; preliminary screening on the basis of academic norms, a written test, group discussions and finally a personal interview. Each part of the process is weighted for importance, with the written test currently playing an important part in India. This test is based on the Princeton Test (Graduate Management Admission Test), but is referred to as the Common Admission Test (CAT) in India. The IIM in Calcutta places a 60% weight on the results of this test, which purports to be an objective assessment of numerical and verbal ability.

This method of testing is said to favour the engineering graduates, who have had the benefit of five years of quantitative techniques, particularly the graduates of the Indian Institutes of Technology. However, few have industrial experience and it is felt that this results in a lack of maturity on the part of the graduates.

The entrants to the IIMs are not only from the middle and upper income strata, they are thought to be predominantly urban (Business India, 1982, p55), which implies access to the better schools and Universities. A further bias which is automatic is that the teaching is conducted in English, so only those people who are fluent in English will be able to cope with the courses. The interviews for entry are therefore conducted in English and those students who have a confident command of the language will have a much better prospect of getting into the IIMs. The implication being that people with low economic and social capital are unlikely to possess the skills necessary to perform well in the interviews.

Data concerning the types of schools and universities which the graduates attended were not readily available in India. It would be of interest to consider a similar study of educational paths for Indian MBAs as conducted by Whitley with European MBAs, and discussed next.

4.5 European entry requirements

"Although there has been some variation over the years, these (selection) policies have usually tried to define the entrance requirements in such a way as to meet both the Universities' demands for academic excellence and those of business for more pragmatic qualities summed up in the phrase 'management potential' "(Whitley, p111).

At both the British Schools in Whitley's study, a good degree or equivalent professional qualification has been required, but it is usually preferred if the candidate has a good honours degree. A wide range of degree subjects has been taken but the areas of science, engineering and technology predominate, accounting for over half the degrees. This is supplemented with a requirement for work experience and a high score on the Princeton test, which in the UK, is seen as a guide to business aptitude rather than the quantitative and verbal skill appraisal of the CAT in India. The Schools also use a face to face interview method, with Manchester having group interviews to assess the social skills of the individual.

The entry requirements at INSEAD have been more stringent as they require a university degree or equivalent qualification, professional experience (not just work experience), that entrants should be between 24 and 30 years old, they should have completed their national service obligations and be trilingual (French, German and English). In addition, the graduates are required to have a high score on the Princeton test. Once the applicant has passed these hurdles, the process continues with interviews and the writing of an essay so that the institution could attempt an assessment of the "whole man" and his suitability for a business career. At INSEAD too, there is a concern with balancing academic performance with industrial requirements.

Whitley et al. have provided school and University backgrounds of the graduates and the data is given below to supplement discussions on the entry requirements.

4.6 School and University backgrounds of British MBAs

In Britain over half the students attended public schools. "The degree of concentration in this sector is illustrated by the fact that fewer than 5% of the school age population gains entry to these 200 institutions (i.e. public schools)" (Hasley in Whitley, p93). The types of school attended by the British alumni is analysed below according to the four socio-professional categories in Table 4.1 above.

Table 4.2 Types of Schools attended by British alumni (percent)

School	Socio- professional category of fathers			
	A	B	C	D
Public Schools	69	63	40	33
Local Authority Grammar	23	22	41	49
Direct grant grammar	5	8	13	9
Other independent	3	4	3	2
Sec'ry modern,comprehensive	0	1	1	4
Other, Abroad	1	2	3	3

Source: Whitley p 94

It is clear that there is a high incidence of the sons and daughters of business owners, top managers and higher professionals going to the public schools. People from the lower two categories have mainly been to grammar schools. However, if the two types of schools are combined on a qualitative basis, one could argue that they reflect cultural and social capital which are similar while being different from the secondary modern and comprehensive schools. The start which is given to the graduates through the type of school they have attended is reinforced by the University which they manage to enter. Table 4.3, below summarises the British situation.

Table 4.3 Types of University attended by the alumni (percent)

University	Socio- professional category of father			
	A	B	C	D
Oxford,Cambridge	38	50	31	31
Other University	55	40	57	56
Polytechnic	2	2	7	6
Professional qualification only	4	8	4	7

Source: Whitley,p97

The national contribution to the graduate population by Oxbridge was 14% in 1967 and 9% in 1974 (op.cit., p97), so the predominance of the graduates from these two institutions does illustrate the concentration created by the MBA programmes. Whitley also states that the greater number of professionals from Oxbridge illustrates the possibly low linkages of these institutions with business.

The European study looked deeper into educational and socio-professional backgrounds by analysing the details of the wider family. Although it can be difficult to obtain consistent information about previous generations, Whitley et al. have gathered sufficient detail to suggest that in Britain, grandfathers were among the less advantaged groups, so that there had been an intergenerational upward social mobility. The situation in France, however, was that the graduates were consistently from the higher strata.

The reason for looking at the wider family, which included parents, grandparents, uncles, aunts, siblings, spouses and parents-in-law where appropriate was that although it did not guarantee success, the privilege of having an extended family was a "potential" source of contacts, help and advice in business life. Nepotism is also an important form of social capital in India, although the Indian MBAs are less likely to have benefited from social contacts as the fathers of most of the MBAs are more likely to be in the civil service and various professions, far removed from the business life into which the graduates are moving.

4.7 Summary of social origins

To encapsulate the implications of the Whitley (et al.) studies in terms of the social origins, two quotations from their book have been used.

"The working class MBA from either INSEAD, London or Manchester is thus a very rare product indeed" (p86)

"The student composition of the major grandes ecoles reflects a similar social selectivity to that of the British Universities, and as in Britain, the tendency is for these imbalances to be accentuated still further at the business schools" (p87).

Business Schools, in Europe and in India appear to be biased strongly in favour of people from the upper strata, in terms of economic, social and cultural capital. Direct comparisons between India and Europe are limited by the cost of living, quality of life and other cultural indexes, but there is clearly a class in India and in Europe which enjoys an elite background and elite privileges within their own societies. Since, it would be more difficult to convert European earnings into equivalent Indian incomes, there would seem to be an argument to study the Indian socio-professional origins of the Indian MBAs' fathers.

There are two further points which may be raised as concluding remarks. First, that both the Indian and European studies have compared MBAs to national averages and not to other managers in equivalent jobs but without the MBA

qualification. Such a comparison would allow commentary on any "extra" privileges that the MBA might confer which other forms of higher education might not, although the study by Pascharopoulos (1980) would suggest that all forms of higher education do confer considerable advantages.

Secondly, there is the question of whether social and economic capital cause or are the result of better or worse forms of social responsibility. According to Berkowitz and Lutterman (1968), the middle-classes are more "socially responsible" than the working-classes, suggesting somehow that as wealth increases so do concerns about social issues. Meanwhile, Warren (1966) has suggested that the middle-classes are also more curious and more cognitively complex. However, the entire Marxist school of thought would soundly reject such an assumption as indeed has Schumacher (1981) who goes on to assert that the elite actually are self-serving rather than contributors to social equity. Meanwhile Drucker (1977) has suggested that the growth of interest in social issues in America is the direct result of a shift from quantitative concerns, which have been satisfied to qualitative issues which still remain to be satisfied. There is an implied hierarchy of needs from economic concerns, perhaps for survival to more esoteric concerns when the basic needs have been met. This debate highlights the need to examine the way the Indian managers with and without MBAs construe social responsibility, because other authors, such as Myrdal (1973) and Todaro (1977) assert that equitable methods of socio-economic activity are the only sensible options in poor countries thereby implying that social responsibility is not a luxury but a necessity.

4.8 Why people go to Business School

The studies from India and Europe have provided a good indication of the social origins of the MBAs, while the latter study has also attempted to question the alumni on why they went to the business schools. There seem to be five main motives for people to go to Business Schools in Europe and these are explained briefly in the section below.

- 1) Transitional. Many people who have taken engineering degrees and feel they are not being fully utilised or are not able to progress into general management use the degree to make a change in their career direction.
- 2) Accelerational. This motive is a label to cover those people who want to move from lower and middle management strata to the higher level.
- 3) Clarificational motives have been expressed mostly by those people with no business experience. They expect the Business Schools to provide them with a broad understanding

of business life. A similar motive has been expressed by people with experience in a non business life.

4) Compensatory motives are expressed by those people who feel they lack a good University degree and are mostly those people who have entered Business Schools from the polytechnics and with other qualifications.

5) Entry to family business as a motive or reason has been given by a few people. It expresses the desire to learn the various aspects of business and equip oneself for running the family business.

According to Whitley, the three main motivations were transition, acceleration and clarificational. However, the importance of these motivations, taken in isolation can be questioned in the light of personal construct theory. Even Whitley et al. acknowledge that the respondents were not pigeon-holed clearly into the five categories as many of the respondents felt there were a mix of motives for going to business schools. At this point it would be of benefit to introduce the notion of career anchors, as it may help to explain, from another perspective, why people go to business schools, the kinds of attitudes they hold and explore some of the reasons for the career choices they make once they have left business school.

4.9 Career Anchors

The definition of career used here is provided by Schein's (1983) paper as a "picture of their work life, and their role in it". This "internal career" being quite different to the external one where for example the doctor goes through medical school, internship, specialist exams and so on.

Schein (1978) describes nine stages in a person's career. Each stage can be long or short and can repeat if a person moves from one career to another. These stages are said to have psychological meaning to the individual and will vary according to the occupation and person in it.

Stage 1 Growth, Fantasy and Exploration

The period when an occupation is thought about more than a career which at this stage has little meaning beyond stereotypical and vague criteria for success.

Stage 2 Education and Training

Occupations vary a great deal in the amount and type of training. Some forms of education and training are non-vocational and these factors create imbalances.

Stage 3 Entry into the world of work

Regardless of preparation the move into the realities of work bring reality shock and major adjustment problem. Major learning is thought (by Schein op.cit.) to begin at this stage, leading to occupational self concepts. This stage recurs at times of promotion when people are said to have reached their "level of incompetence" (Peter and Hull, 1969)

Stage 4 Basic Training, socialisation

The length of this period, will vary immensely. As an organisation begins to make demands on the individual it results in significant personal learning to cope with the complexities.

Stage 5 Gaining membership

The individuals recognise through the assignments given to them that at a certain point they have passed the trainee stage and become accepted members of the organisation. They develop meaningful images of themselves, their motives and values are classified and they have a sense of their talents, strengths and weaknesses.

Stage 6 Tenure, Permanent Membership

Within the first 5 to 10 years most organisations and occupations make a "tenure" decision, so that the individual can decide on the long term future in the organisation.

Mid-Career Crisis, Reassessment

Well into their careers, individuals are thought to go through difficult self-reassessment asking questions as "Have I entered the right career"; "have I accomplished all I want to" or how they see their future.

Stage 7 Maintain momentum, regain it or levelling off

The process of reassessment creates a basis for deciding how to pursue the remainder of the career. Individuals develop their own solutions to guide them with their next steps.

Stage 8 Disengagement

People eventually slow down, become less involved and prepare for retirement. For some this takes the form of denial of change resisting the attempts of others to get them involved in preparation for the next stage.

Stage 9 Retirement

When the individual has to retire from the organisation or occupation, the person either has to retire or may have a "second" career to go to. In either case the individuals' choices and coping merit study.

The development of a career anchor is thought to occur from about stage four in one's occupational life. Indeed as one goes through the various stages, the anchor itself is likely to change, although at any one time there may be just one or two anchors which strongly determine the internal career drives.

4.10 The Development of a Career Anchor

From about stage 4, Schein believes that the individual has developed the maturity and has enough experience to know their talents, motives and values.

1. What are my talents, skills, areas of competence? What are my strengths and weaknesses.
2. What are main motives, drives and goals in life? What am I after?
3. What are my values, the criteria by which I judge what I am doing, the kind of organisation I work for and how I feel I am doing?

Insights into these issues and the experience and education from earlier years help to create a self-concept and the career anchor is that element of the self concept which will not be given up, "even if forced to make a difficult choice".

Career anchors are thought to be quite stable, although they can be temporarily thwarted by external constraints such as illness or economic conditions. In the longer term, the accumulation of experience may cause a shift in the anchor and it is not unusual to find people having two "anchors", particularly when that person is going through a period of transition.

4.11 The Origins of Career Anchors

This concept was developed by Schein (1978) who conducted a longitudinal study of 44 alumni of the Sloan School of Management, Massachusetts Institute of Technology. Initial interviews about attitudes and values were conducted with second year MBA students in 1961, 1962 and 1963. Follow-up interviews were conducted six months and a year after the graduates had entered work. These interviews helped Schein with understanding the process of transition from school to work. Further interviews were conducted five, ten and twelve

years into the careers. Although there were individual variations, Schein found regularities in the reasons for the changes in peoples careers. These regularities, or themes, of which the respondents were often unaware reflected a growing sense of self. It is this concept of the self which Schein has called the career anchor.

Based on these initial studies and several subsequent interviews with hundreds of people, several types of anchors have been identified. (Schein, 1983)

4.12 Types of Career Anchors

There are 10 career anchors reported to date (Schein, 1983) and these are defined below in groups. The anchors which are not central to the issue of social relevance of management education in India are defined in brief, at the start of the section. The anchors which are likely to be the most helpful are elaborated with examples towards the second half. The anchors are also grouped together as though they were constructs in the sense of Kelly's explanation, because it would seem to be quite helpful to regard career anchors as the constructs people have regarding the career choices they want to make.

1. Autonomy / Independence as a career anchor.

A person anchored to autonomy is someone whose need for independence is so strong that the entire career is organised around it. These are people who discover early in life that they do not like to be bound by organisation rules, procedures, working hours, dress codes and other norms which arise from working in an organisation. They have their own standards, and prefer careers which allow them to work on their own terms.

If such a person has a job which allows autonomy, he may decline promotion if it denies him independence. People with an interest in management may be found in jobs like consulting, teaching, or if they are in large organisations they are likely to be research and development, data processing, market research, financial analysis or geographically remote units of the organisation. The sources of the need for independence may be due to child-rearing methods that emphasise self-reliance and independence of judgement or indeed due to high levels of education which have made the individual totally self-reliant and responsible.

For most people, this is a fairly common issue as they have to decide the extent to which they are willing to sacrifice independence for security and stability. People who prefer to have security and stability are, in effect, allowing the occupation or organisation to determine the career

progression. The dilemma of autonomy and security is one which people have to resolve during their careers. This dilemma may be the construct which people have about the types of occupations which are available to them, with autonomy and security being the polar opposites in the sense of a construct being dichotomous. The security anchor is described next.

2. Security of job tenure.

Some people feel a strong need to organise their careers in such a way that they can feel secure and safe. They would like to be able to predict future events and relax in knowing that they have "made it". Most people need to have a feeling of security at certain stages of their careers, particularly when they have family commitments or are approaching retirement, but these concerns become an overriding guide and constraint for some, who proceed to allow their organisations to decide on their careers, where they work, when they switch assignments and so on. This sacrifice of autonomy is made in exchange for the security of tenure which they have achieved.

3. Geographic security

Another form of security which people seek, also generally for family reasons, is geographic security. In this kind of person, the major concern is to stay in one place, or area, putting down roots in the community and seeking a stable life style. The person is willing to change jobs, or move from one company to another if necessary to remain in one area. The desire to be secure in one area is also a form of sacrifice of autonomy and independence, but, rather than from organisation rules and codes of conduct, the overriding urge is to stay in one place. The sources of such a need could be the result of having elderly dependents, or in the case of married female professionals, there may be a need to remain in one area because of the limited availability of careers for both partners.

4. Identity - with occupation or organisation

This anchor is suggested for those people who are affiliated with an organisation or occupation which is a central theme to their careers. To a certain extent, this orientation may be construed as a variant to the security anchors, because it too is a form of stability which the individual is seeking. Job or geographic security do not in themselves create loyalties to organisations or jobs, but with this anchor, the person welcomes a "golden handcuff" and identifies strongly with the organisation or occupation. For example, a professor at a prestigious business school may identify with the role of academic, or indeed the prestige of being a professor at the given business school. This

person may not want to give up the title of "professor" even if offered a highly lucrative position in private industry. Indeed the post of being an academic at the particular institution may have a greater attraction. For example, a person who is a lecturer at Cambridge University might prefer to be associated with this Institution rather than take up a promotion to a professorial level at a polytechnic. Whatever the reason, the person is giving up a change in order to retain a particular relationship with the occupation or organisation.

5. Pure Challenge as a career anchor

As a label this anchor depicts those people whose focus is based on pure competitive drive. For the person with this anchor, the idea of beating anything or person is the overriding urge. A sportsman may be anchored to this idea. In management, senior consultants and strategists have been found who enjoy more and more complex problems which they are required to solve. This particular anchor has emerged from studies with naval officers who continually prepare themselves for the ultimate confrontation with the enemy in which they can prove to themselves and their enemy that they are the best.

6. Life Style as a career anchor

This anchor has emerged from people who are seeking to integrate their work and social and family requirements. They do not see a distinction between career needs and family needs. They are saying, in effect, that they do not have a career anchor in the sense of the anchors described above, but seek some form of flexibility from the organisation. They do not need autonomy but require the right set of options at the right time. The facility to travel, have sabbaticals, paternity or maternity leaves, flexible working hours and so on. What this group requires most from organisations is understanding, because they have dual career-family roles. It seems, this anchor was first noted in women, but an increasing number of men have developed this anchor, possibly as a result of the changes in society.

The dual role faced by managers has also been explored by Bartolome and Evans (1979), in their study at INSEAD. This study acknowledges the tension which managers have to face in their different roles as a professional and family person and the resolution of this conflict is what the career anchor is perhaps helping to address.

There may be a slight merger of this anchor with geographic stability and job tenure particularly for those people with a family commitment. These people feel a sense of duty to their families.

The next four anchors are discussed in slightly greater detail due to their particular relevance to this study. The first pair are on a different axis from the previous anchors as they are concerned with the content of the jobs, rather than issues of autonomy or security. The next pair; entrepreneurial and service and dedication to a cause are concerned with some other form of internal drive which are better explained in terms of value systems and attitudes.

The career anchor concept is one which attempts to pigeon-hole people, but the concept is a dynamic one; as the sample size increases with more studies being done in different fields, so it seems, more "anchors" are discovered. Schein (1978) for example discovered five anchors, and by 1983 researchers had found 10 anchors (Schein, 1983). For this study, it is not relevant to enter into a debate about the way these anchors are discovered, or indeed to question the concept. It does provide an aid to classification and is expected to help with explaining the constructs of Indian managers. The specific ways in which the concept is expected to help is discussed in the sections below.

4.13 Career Anchors relevant to this study

Since the study is about management education, the anchor of managerial competence is a particularly helpful one. In India and Britain, the main criticisms of the MBAs is that they prefer general management jobs, particularly as the Business Schools instil this attitude into them through the case study method, paper solutions to problems, the entry requirements which encourage the upper strata of people to apply and indeed the very objectives of the founders of the programmes was that the Business Schools will provide leaders for industry (Business India, 1982, Forrester, 1986, Griffiths and Murray, 1985).

In fact, according to a survey by the Business Graduate association (1971, p18), over two thirds of industry wants the business graduates to have a generalist education so that they may be promoted rapidly out of technical or functional roles into general management occupations.

A slight digression is called for at this point to link the managerial anchor, technical functional anchor and the notion of transitional motivations referred to above. The linkage is possible through personal construct theory whereby the managerial and technical anchors may be construed as a dichotomy for a person contemplating career progression. The dichotomy has already been expressed by the expectations of people going to business schools, particularly for those people making a transition in their careers from a technical or functional specialisation to a general management role. The construing of managerial and

technical functional anchors as dichotomous provides the main reasoning for discussing the latter anchor in this study.

The third anchor, which is of general interest is entrepreneurial creativity, because this is an attitude which is believed to be desirable in a society for generating industrial growth. Recent studies from Harvard (Duffy and Stevenson, 1984) and INSEAD (Vickery, 1982) have explored the placement of the alumni. The Harvard study has found that around 30% of their alumni are in small firms and many are self-employed. This finding breaks with the stereotypical image of MBAs working only for large conglomerates in corporate planning, marketing and finance roles. The European study also indicates a move towards self-employment and employment in small firms. The detail of where these alumni work are not clearly covered in the studies and although the accuracy of the findings may be questioned, it is sufficient at this stage to accept that there is at least a growing interest and movement towards small firms and entrepreneurship, even if the numbers are still limited.

The fourth anchor of relevance to this study is "service and dedication to a cause" which does not have an explicit opposite within the 10 career anchors so far "discovered". One of the reasons for this may be that the anchor does not easily fit into career aspiration explanations. The opposite meaning, in order to fit the term into personal construct notions, may be derived from asking why people have such a construct as a career anchor. Perhaps the construct is the result of the individual seeking a purpose in life, to be helpful to others, so that service and dedication is one pole of the dichotomy and all the other anchors would fit the opposite meaning because they are NOT service and dedication to a cause. Since this study is concerned with the social responsibility of managers, this particular anchor is expected to be helpful in explaining the reason for the choices some people have made regarding their careers.

7. Managerial anchor

This anchor arises out of a complex set of motives, talents and skills where there is a preference to organise resources, lead people and set objectives. Some people discover that management per se interests them and they have the range of competence required to be a general manager and they have the ambition to rise to a level at which they will be responsible for policy decisions and their own efforts will make the difference between success and failure. The people anchored as generalists view specialisation as a trap, although they recognise the need for expertise in several functional areas and their own industry. The key

value they hold is to rise to the top of the corporate ladder to ever increasing levels of responsibility, opportunities for leadership, contribution to the success of the total organisation and high income (Schein,1983,p32)

According to Schein, few people have a clear picture, when they first enter an organisation, about what it means to rise to the top. With experience it becomes clearer that a certain set of motives, skills and talents will help them to achieve their commitment to a managerial anchor. These talents are said to be in three main areas; analytical, interpersonal and emotional competence. As the talents become clearer, the person is also faced with making a choice between being a generalist and a functional or technical specialist. This choice between two anchors, may be viewed as the dichotomy which exists in a construct on career progression.

People with a strong motivation to rise to positions of responsibility believe they have the necessary skills and values to rise to general manager positions. Their desire is to be in general management jobs and specific technical or functional jobs are seen merely as stepping stones. The generalist does see the need to have competence in one or more functional areas, but sees a greater need to have a combination of skills.

1. Analytical competence
2. Interpersonal competence
3. Emotional competence

Analytical competence

To be able to identify, analyse and solve problems under conditions of incomplete information and uncertainty (Schein, 1978 p135). The respondents in Schein's study believed that it was with this competence that formal education was most helpful, as the conceptual models and skills in analysis were perceived to have been learned at school.

Interpersonal competence

The ability to influence, supervise lead manipulate and control people at all levels of the organisation toward the more effective achievement of organisation goals. The analytical skills in themselves do not help the individual to become an effective manager. Analytical skills need to be combined with interpersonal skills, since most of the work done at higher levels is through people. Therefore the learning of interpersonal skills or the discovery that one has it becomes central to the development of a manager.

Emotional competence

Is the capacity to be stimulated by emotional and interpersonal crises rather than exhausted or debilitated by them. It is the capacity to bear high levels of responsibility without becoming paralysed, and the ability to exercise power without guilt or shame. This particular competence is possibly the most elusive but can be critical in harnessing the interpersonal relations and decisions which need to be made. A difficult situation such as firing someone or having to supervise someone older than oneself requires emotional competence. The higher one gets in management the more one is likely to face difficult situations and decisions. The people should be able to handle it comfortably.

Common complaints about young MBAs is that they are trained to think and behave as generalists, making them unsuitable for occupations which require technical/functional skills. They are too young/inexperienced to assume the responsibilities of general managers and are not trained for functional roles. Further problems which result from this initial mismatch is that when MBAs face "reality shock" in their first job the individual and the organisation has / have to cope with two conflicts.

Perhaps the individuals come to the MBA programmes with preconceived notions of their anchors, which merely get reinforced through their two years. Schein has argued that an anchor begins to become clearer for an individual later into the career, while in the early stages people merely have stereotype images of roles as success models. In the Indian context, families play a major role in encouraging career direction and a managerial career at present is perceived to be a high status, with accompanying high pay and life-style.

The definition used by Schein may be compared briefly with those used by others, such as one of the earliest by Henri Fayol who said that a manager is someone who plans, organises, co-ordinates and controls. However, this classic definition from the nineteenth century is challenged by Mintzberg (1975) who suggests that a managers cannot do all these things in any major way as he spends no more than an average of nine minutes on any given task. According to Mintzberg a manager has four major roles; formal authority requiring leader roles, figurehead, leader and liaison creating interpersonal roles, monitoring, disseminating and spokesperson leading to informational roles and finally the entrepreneur, disturbance handler, resource allocator and negotiator, conferring the decisional role.

Rosemary Stewart (1982) challenged the definitions of Mintzberg with her own observations which were that there

were demands, constraints and choices which the manager faced and these combine to demand flexibility from the organisation and the manager. She goes on to cover the implications for the manager in terms of job design, management effectiveness, selection, education and training, and career decisions.

The commonality of the definitions of Schein, Fayol, Mintzberg and Stewart, although they all appear to be different is that they define a "generalist", someone who is dealing with a great variety of responsibilities and tasks and interests. This contrasts with the next anchor.

8. Technical / Functional Competence

As an anchor this construct describes a person who has a preference for one particular kind of work. This may be due to discovering a special talent or satisfaction of knowing that they are an expert in a given area. According to Schein, this could be any kind of work; an engineer may discover a special design skill, a salesman discovers a real talent at selling, a marketer may enjoy developing new product promotions, a production manager or financial analyst may enjoy the challenges of their specialist jobs. The notion of technical / functional specialist is one of being a craftsman in his particular area. This person begins to enjoy the area of specialisation so much that he gets pulled back into it, rather than moving into other functions. It is the job content which really motivates the person.

According to a number of researchers (Schein, 1983, p28), this anchor is not for everyone. Most people start out with a technical or functional specialisation, because they recognise the need for expertise in a given area. However, they construe this anchor as a means to an end, because they hope for promotion into general management, a move into an autonomous role, or indeed perhaps as a means for starting out on their own as an entrepreneur. For the people who move into a general management role, this anchor may be construed as the polar opposite of the dichotomy which the individual uses to make choices between remaining as a functional specialist and progressing into general management.

The self-image is linked to their feeling of competence in the particular area they are in and consequently they are not interested in management per se, though they will accept management responsibility within their technical or functional area. Schein (1978) asserts that the roots of those people is in the work they are doing and that they have a fear and disdain 'general' management, viewing it as a form of 'jungle' a 'political arena'. They experience conflict because they know that the traditional career path

is to move from functional to general management. They are afraid to reveal their preference as it is likely to hurt further promotion prospects and Schein feels that they form the spawning ground for future victims of the Peter principle (Peter & Hull, 1969).

9. Entrepreneurial Creativity as an anchor

The original sample in Schein's study revealed a group whose overriding needs were to create some new product, service or an organisation of their own. In the various studies covering several hundred respondents, only 23 entrepreneurs have been found (op.cit., p38). The creativity which is referred to here is not similar to that of an artist, creative researcher or advertising executive. In this context the creativity is an urge to create some new enterprise or product which can be clearly identified with the person and is capable of standing on its own. These people do not stay with traditional organisations or jobs for very long, or they retain these positions as a sideline to their main urge.

The Harvard study, (mentioned above) which has found a growing proportion of people in small firms has suggested that the case study method has helped a great deal in the process of creating the entrepreneurial attitudes among its alumni. In India, the case study method is thought to create managers who are prone to paper solutions. In addition the status attached to high level occupations in managerial roles is likely to create risk averse individuals, who, due to learning a plethora of techniques always ask for more information, rather than making a decision. A common warning to MBAs who have to analyse case studies is to "Beware of analysis paralysis" (Cranfield, 1982 - 1983). Whether the case study method contributes to entrepreneurship or risk averse individuals cannot be concluded on the basis of this limited information, although this researcher is less inclined to believe the Harvard conclusion, because it seems a bit like prescribing aspirin for all ailments.

Although one may question the conclusions of the Harvard study, it still remains of interest that a growing proportion are moving into small firms, whether as entrepreneurs, or as professional managers into their families' business or indeed in a search for autonomy by becoming free-lance consultants. The connection to Schein's definition of an entrepreneurial / creative career anchor may be found in the psychological explanation of entrepreneurship offered by MacLelland (Manuh and Brown, 1987), which is that the need for achievement would cause individuals to behave in an entrepreneurial way and thus increase economic activity.

Schein acknowledged that this was one of the most difficult anchors to articulate because of the small number in his study (6 out of 44). However, the definition of entrepreneur used by Schein is not too distant in meaning from the Schumpeter's definition of an entrepreneur as a creator of new combinations bringing about change. (Manuh and Brown, Op.Cit)

Therefore it is sufficient for this study to accept the definition of an entrepreneur as someone who wishes to create some new product or service because this form of activity is likely to lead to economic development in India.

If for example, one takes the view that MBAs in India, who work for the large conglomerates, are like a new cadre of civil service; working for private industry rather than for government, perhaps as their fathers used to, then it is unlikely that the individuals will be entrepreneurial and this shortcoming may lead to rather static organisations, not contributing much to growth, new products or job opportunities.

In the same way as the technical / functional anchor was seen as a polar opposite of the managerial anchor, for some people, the organised managerial role may be the opposite of this anchor.

10. Sense of service and Dedication to a cause

These people choose their careers and make later career choices based on working towards some important values.

"I can say that it was primarily a personal quest for a position through which I could contribute my professional abilities for the larger issues concerning society, while making a reasonable living and career for myself". Vijay Mahajan (Alumnus,1987).

This quotation from sums up the kind of urge which this anchor refers to. He has started a consultancy organisation which seeks to help with rural development in India.

In the studies by Schein and others (Schein,1983,p41), few people have been found to have this anchor. An example provided by his paper is of a professor in an agricultural college who left to help with environmental planning in a mining company. This person is reported to be interested in staying in that particular job so long as the company allowed him the opportunity to be involved in the planning and have the clout to get things done.

Although the anchors appear to be most relevant to the "helping professions", such as nursing and teaching, there are people in the management domain who express their career

urges in terms of higher values and responsibilities. While this anchor is concerned with a wider responsibility, the anchor "life style" which was defined above was concerned with the family and immediate community. This anchor, does therefore, deal with a value which transcends self interest and it would be of great interest to this study to find MBAs and indeed their non-MBA peer group who had this anchor.

The other nine anchors can be rationalised in a business context, but if one takes the view that the social responsibility of managers is only about making a profit for the owners of a business, the notion of service and dedication to a cause appears to be a value system which is likely to be at odds with the mainstream. The postgraduate management courses are thought to teach, with the use of case studies, concepts and techniques for the application in management roles, while taking into account the environments in which they live and work. They are not expected to lay down the requirements of a socially responsible policy if such a policy is at odds with the commercial needs of the organisation.

The underlying question which this issue raises is how and what MBAs believe to be their social responsibilities. If, as is being suggested here, perhaps unkindly, MBAs are unlikely to have service and dedication to a cause as a central theme to their internal career anchors, do they perhaps have it as a secondary objective which must be satisfied if at all possible? The survey conducted by Business India (1982) quoted above, also asked the respondents if they felt their work was socially relevant. They also added to the general confusion about the meaning of the term by allowing the respondents complete freedom in defining the term but without a frame of reference. The examples used by Business India are given below:

4.14 How socially relevant do MBAs think their work is ?

The actual question asked by Business India was:- Do you think that the work you are doing is "socially relevant" ? To this question, some 54% in the private sector replied that they thought their work was relevant socially, while nearly 88% in the public sector thought the same. All the graduates working in the public sectors from the IIMs in Ahmedabad and Bangalore thought their work was socially relevant, while the IIM - C graduates were more modest with 63% agreeing with this position. However, the self - image of social relevance must be taken in the context of the definitions given by the alumni of the IIMs.

"All efficient management is socially relevant as creation of wealth and improvement of productivity is necessarily a socially relevant function" (Chief Executive, British Paints - IIM A, 1968)

"I am in the field of education; I can't think of anything that is more socially relevant" (Assistant Professor, IIM-B, alumnus of IIM A, 1973)

"I think all work is 'socially relevant' as long as it gives satisfaction to the person doing it" (Assistant manager, Citibank, IIM C, 1980)

"Any economic activity is socially relevant" (Branch manager, Lintas Ltd, IIM A, 1977)

"Organisations like mine are essential to the country. To that extent, my work is socially relevant" (Deputy Director, National Small Industries Corporation, IIM B, 1978)

The definitions of social relevance are diverse and it would seem that a clear view of social relevance is not projected by the IIMs to their alumni. (Source: Business India, 1982)

4.15 Summary of social origins and career anchors

The notion that graduates of Business Schools accentuate the disparities which exist in society has been examined from two main sources. There seems to be evidence to suggest that the graduates are from the higher strata of society, the elite. However, it is not clear whether the disparities are caused by elitism or whether elitism is necessary in the short term to achieve long term equity in the way that Lewis (1968) would suggest. This debate may be addressed by the concern of this study, which is the socially responsible behaviour of managers and industry. An examination of such behaviour might provide the link between the modern sectors where the managers work and the traditional sectors which are at the disadvantaged end of the existing disparities.

Therefore, if the graduates of business schools are the sons and daughters of the elite do they go on to reinforce their positions or do they hold values which can provide benefits for the wider society? Since, this concern can be expressed in the careers which are pursued, the notion of career anchors has been explored. This notion and the social origins of the graduates provides a new way of classifying the managers, rather than the usual demographic methods, because it is intended to explore the social responsibilities of Indian MBAs and the social, cultural capital which the elite might possess are thought to play a role in the formation of value systems, or social knowledge.

The main anchors which might help with the study are managerial, technical / functional, entrepreneurial and service and dedication to a cause. The first pair are, in a sense, vocational and perhaps expected, while the second pair are the anchors which might be expected in people who are thought to be more actively involved in socially

relevant activities in society, where social relevance is defined as helping the process of socio-economic development in a more direct way than implied in the Friedman model of social responsibility. The definitions used by Schein of manager, entrepreneur and a service and dedication to a cause have been accepted as they serve the limited purposes of classification and capture the essence of the definition even if they are not "true" to the classical terminology.

The concept of social responsibility is now brought together with the social origins, career anchors and personal construct theory in the next chapter, which sets out the specific objectives of the study, in the light of the very different concepts discussed in the last four chapters.

References

Alumnus.; IIMA Alumni Association, Ahmedabad, India. Vol. 19, No. 1., January, 1987.

Bartolome F. & Paul A. Lee Evans.; Professional Lives versus private lives - shifting patterns of managerial commitment. Organisation Dynamics, American Management Association, Spring 1979.

Berkowitz L & K.G. Lutterman.; The traditional socially responsible personality. Public Opinion Quarterly, Vol32, p169-185, Summer 1968.

Business India; IIM Alumni survey, special report, July 19-August 1, 1982. This reference has also been included in the bibliography in chapter one under "authors" Sundaram and Kasbekar.

Business Graduates Association; British Industry's attitudes to Business Graduates and Business Schools. Business Graduates Association, London, June, 1971. (Also in bibliography in chapter one).

Cranfield.; This researcher was on the MBA programme and heard the advice, to avoid "analysis paralysis", in class many times, October 1982-September 1983.

Duffy P & Howard H. Stevenson.; Old myths and New Realities: Self employment and the professionally trained manager. Working Paper. Harvard Business School, USA, 1984.

Drucker Peter F.; Management. An abridged and revised version of Management: Tasks, Responsibilities, Practices. Pan Books, UK, 1977.

Forrester P.G.; The British MBA. Cranfield Press. Cranfield, UK, 1986.

Griffiths B. & Hugh Murray.; Whose Business? A radical proposal to privatise British business schools. Institute of Economic Affairs, London, 1985.

Lewis A.; Development Planning. The essentials of economic policy. Allen Unwin 1966 / 1968.

Manuh G and R. Brown.; Resources for the development of entrepreneurs. A guided reading list and anoted bibliography. Commonwealth Secretariat, 1987.

Mintzberg H.; The manager's job: folklore and fact. Harvard Business Review, July-August 1975.

Myrdal G.; Equity and Growth. World Development, I(II), November, 1973.

Pascharopoulos G.; Higher education in developing countries: A cost benefit analysis. World Bank Staff working paper, No. 440, World Bank, Washington, USA, 1980.

Peter Laurence J. & Raymond Hull.; The Peter Principle, Pan, UK, 1969.

Schein E.H.; Career Dynamics. Addison-Wesley, USA, 1978.

Schein E.H.; Individuals and Careers. Technical Report (TR 19) Sloan School of Management, Massachusetts Institute of Technology, USA, 1983.

Schumacher E.F.; Small is Beautiful. Abacus edition, London. First published Blond and Briggs, 1973, London, 1981.

Stewart R.; A model for understanding managerial jobs and behaviour. Academy of Management Review, Vol 7 No 1, p7-13, 1982.

Todaro M.P.; Economics for a developing world. Longman Group, London, 1977.

Vickery L.; Entrepreneurial activities of INSEAD MBA graduates. INSEAD Working Paper No. 82 / 14, Fontainebleau, France, 1982.

Warren N.; Social class and construct systems: An examination of the cognitive structure of two social class groups. Journal of Social and Clinical Psychology, 5, pp 254-263, 1966.

Whitley R., Thomas A & Marceau J.; Masters of Business ?, Tavistock Publishing, London and New York, 1981.

Bibliography

The book by Whitley, Thomas and Marceau contains useful additional references on the subject of social origins, while the more recent paper by Schein (1983) has pointers in the career anchors and related issues. However, the following five references from the American Sociological Review have been selected to point readers into a different range of issues when considering social origins and job related reward structures. These issues are not central to this thesis, but have been included so that deeper research in the area of social origins and careers would leave no stone unturned !

1. Eckland B.; Academic ability, higher education and occupational mobility. American Sociological Review, p735-746, October 1965.

2. Marsh J.F.; Effects of values in pecuniary behaviour. American Sociological Review, p740-754, October 1967.

3. Hall R.; Professionalisation and bureaucratisation. American Sociological Review, p92-104, February 1968.

4. Perucci C. Cummings & Robert Perucci.; Social Origins, educational contexts, and career mobility. American Sociological Review, p453-463, June 1970.

5. Yuchtman E.; Reward distribution and work-role attractiveness in the Kibbutz-reflections on equity theory. American Sociological Review, p581-595, October 1972.

Chapter Five

Thesis Objectives

5.0 Structure of this chapter

This chapter draws together seemingly unrelated concepts in order to allow for a focus to the study. A brief review of the core parts of the preceding chapters has been carried out, in order to reiterate the main assumptions and definitions. This is aided by a flow chart showing the links between the different parts of the thesis. The main aim of the study which is stated in paragraph 5.2 is the result of the issues raised in chapter one; in which there is a call for greater social relevance to the activities and efforts in the modernisation of India.

Specific objectives have been established in order to examine the main aim, and these objectives are in the domain of management education which exemplifies both the efforts to modernise a country and contribute to social development. Management education also lends itself to evaluation through the areas of social responsibility and personal construct theory.

5.1 Drawing together the disparate concepts

The fundamental starting point to this research is that of equity of distribution. A society expends energy and resources in creating an educated elite who are expected to create benefits for the whole of society. The resources which are spent in creating the elite are thought to come from the poorer sections of society, particularly in poor countries. If society is paying for creating an elite, surely society should get some returns.

There is considerable evidence to support the view that education does confer benefits on society (for example in Harbison and Myers, Paschpropoulos, Vaizey and Whitley). However, of particular interest here is the investment on higher education such as postgraduate management education and specific quantitative measures of this form of education have focused on the tax revenues from future earnings of the graduates as a measure of the returns on investment. In these terms, the returns are likely to be minimal, because the amount of tax which is payable by corporations and individuals is minimal, in relation to the total. A further problem with this form of evaluation is that there are a number of assumptions which have to be made and these assumptions are likely to be determined by the political standpoint of the researcher.

Existing evaluation methods do not seem able to cope with the issue and a novel approach is called for. This new approach is rooted in the desire for equity alongside modernisation, which in turn, requires a change in behaviour from the decision makers. If this group can take decisions based on social considerations, then, it is more likely that

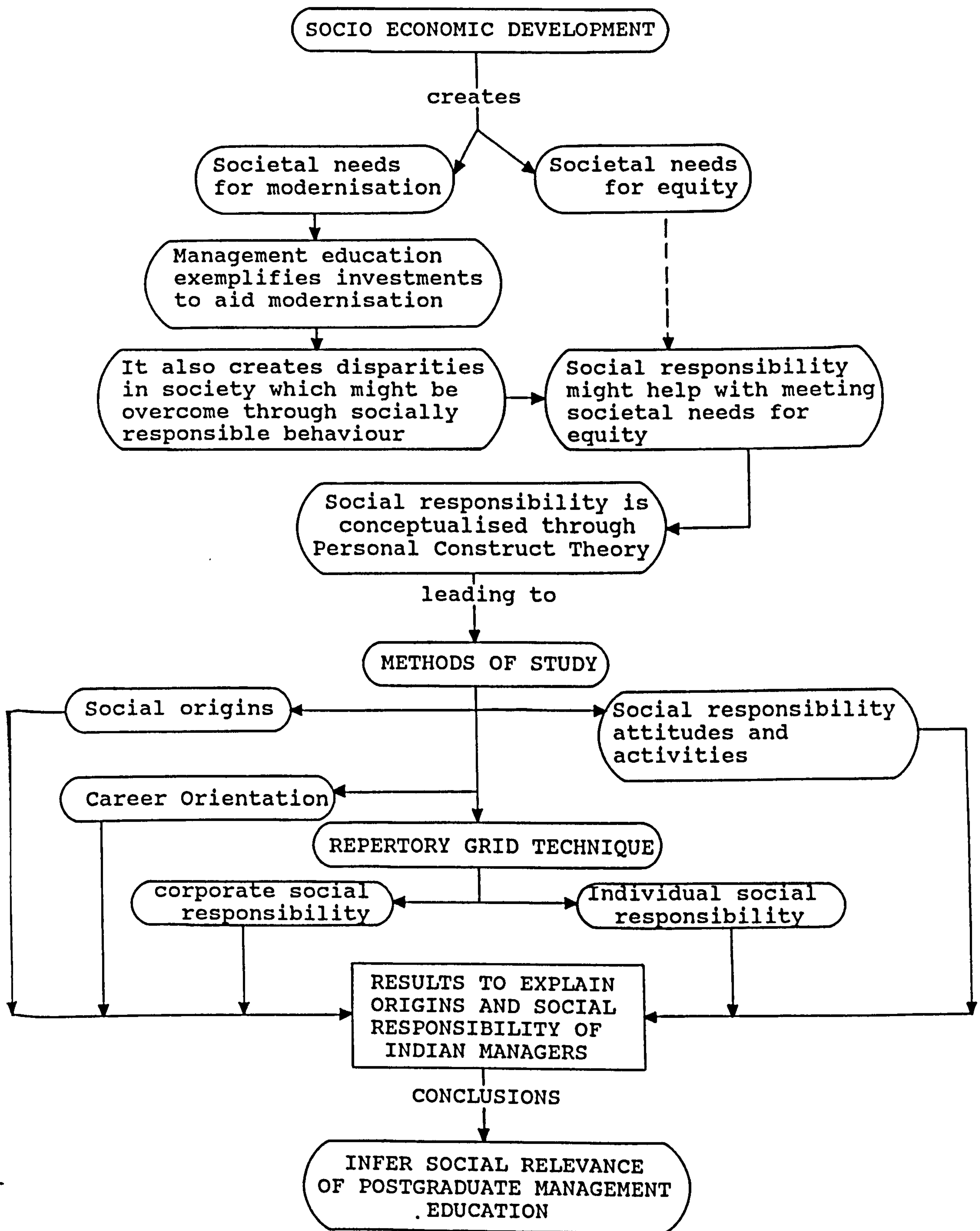
the benefits of modernisation will be more widespread. An example, from India, which has been documented by Lall (1983) in his book "The new multinationals" is a company called Tata which appears to have achieved a balance between modern commercial drives and socially responsible behaviour through good employee relations, support for medical research and so on.

On the other hand there are examples where organisations are exploitative (Turner, 1973) rather than socially responsible. However, there is a problem of identifying social responsibility, in terms of definition, measurement, and evaluation. There is a need therefore to attempt a focus on the social responsibility of Indian managers, particularly those educated as managers, in order to assess their potential for a contribution to Indian society.

Since it is not possible to quantify the contribution of Indian managers to society, it is necessary to examine an alternative link which is made possible through personal construct theory. This theory suggests that managers who have the right attitudes and perceptions about social responsibility are more likely to take decisions which are favourable to society. Therefore through the measurement of the social responsibility of managers it is possible to infer the benefits to society. This link and theory are fundamental to the study as they form a basic assumption from which to progress and since there is a considerable body of literature which supports the view that people take decisions and make choices on the basis of their attitudes, motivations, beliefs and the way they construe the alternatives the theory has been adopted as the appropriate model with which to study the social responsibility of Indian managers with and without postgraduate management education.

Since we are particularly interested in the returns to investments in higher education, the group of people selected for evaluation are those with a postgraduate management degree from one of the three existing prestige institutions. However, since the interest is to ascertain any marginal contribution they have made, it is necessary to compare them with an appropriate group of people. This latter group, which has been selected, is a matched set of managers who have not received the same two year postgraduate management degree, but are in occupations with equivalent levels of seniority.

The flow chart below, helps to summarise the discussion by drawing together the arguments. This is followed by a discussion of the objectives, leaving the elaboration of the methodology to the next chapter.



5.2 The Aim of the study

This study seeks to evaluate postgraduate management education in India in terms of its social relevance. The three Institutions of interest have explicit and implicit objectives to impart social responsibility to the graduates of their courses, so the evaluation is conducted by comparing MBAs with non - MBAs on a number of criteria, especially on the way they construe social responsibility. The reasons for the IIMs to have this objective have been discussed in preceding chapters, but may be encapsulated in the following way:

Managers who construe social responsibility in terms of social development and equity are more likely to make choices and decisions which will benefit society. On the other hand those managers who construe social responsibility in narrower terms are not likely to make choices and decisions for the wider benefit.

The aim will be studied through the objectives set out below, enabling an exploration of the subject from a novel and comprehensive set of directions.

5.3 Classification by social origins

There is evidence to suggest, from the income figures given in Table 4.0 and from the studies in Europe, that the managers, particularly those with postgraduate management education tend to be people who are from the upper strata of society, the educated elite. In order to examine this proposition in greater detail, the managers, with and without the MBAs will be studied for the the social origins, educational paths and job seniority of the parents, thereby revealing the social and economic capital of the two groups.

5.4 Classification by occupational attainment

In addition, the managers will also be studied for the educational paths and levels of seniority which they have attained. Management education is thought to give the individual some advantage in terms of their career. Through comparison of MBAs and non - MBAs at equivalent levels of seniority it may be possible to understand how they have attained equivalence, although the educational routes are different.

Some indication as to the economic capital of the managers will also be collected, as this would be an indication of the future potential direction for the children of the MBAs. It would also throw light on the question of how much this

group rewards itself following higher education. Since, MBAs are thought to work in the private rather than the public sector, the economic rewards received in the two sectors can be compared.

5.5 Classification according to managers' employment and occupation

The issue of placement is felt to be an indicator of the social concerns of MBAs. People who work in the public sector are thought to be more socially concerned and relevant than MBAs who work in the private sector, partly due to the lower rewards which are accepted by people in the public sectors and partly due to the kinds of products which the graduates in the private sector deal with, such as cosmetics. In addition the assumption that the public sector is socially relevant to the country ignores the possibility of inefficiencies which exist in this sector, so the activities of public sector organisations will also be considered in coming to a conclusion of whether the managers and these organisations are any more socially relevant than firms in the private sector.

The social responsibility issue, through the question of placement, will be examined by looking at the sectors of activity in which the MBAs may be found and the kinds of jobs they do. Data to attempt a tentative index of efficiency, based on sales per employee and the size of the organisations will be collected. Since the samples will be matched, the comparison on this will be inter-sectoral rather than between MBAs and non-MBAs.

5.6 Classification according to career anchors

A further method of classification which has been discussed is that of career anchors. This method allows the managers to be classified according to the fundamental constructs by which they will make career choices and it is this particular choice which is felt to be important to the managers, who choose to work in the public or the private sectors. This particular aspect of the person may also guide the individual into jobs which may be classified as socially responsible or not. This method has not been explored in the Indian setting, so it will add to the body of knowledge on career anchors if the methodology developed by Schein and Delong is used in India and compared to studies conducted elsewhere.

The concept of career anchors may provide an indication of how people make these choices in their careers. Classification can be made on the MBA and non - MBA basis and on inter - sectoral or other criteria. The anchor which is likely to be of most interest is service and dedication

to a cause. People with this anchor can be analysed in greater detail, for their social origins, their work and their construing of social responsibility.

5.7 Attitudes to social responsibility

The study by Berkowitz and Lutterman, discussed in chapter two, provided the basis for attempting a few questions which relate to various issues of social responsibility, in the Indian context. Because one is dealing with attitudes, and since there is a more elaborate method also available, the indications which can be provided by the questions below are of a general nature.

1. To whom should managers report. This takes up the assertion by Milton Friedman that managers are only responsible to the shareholders. A question may be devised to ascertain what Indian managers thought of this viewpoint. It is a fundamental definition of social responsibility found in the literature.

2. On the theme of responsibility, there are two other important issues. First, whether the managers think industry or government are responsible for the effects of industrialisation. There are many issues on which managers are quick to apportion responsibility to government, such as with location policies, transfers of technology, control of pollution and so on. It would be interesting to collect data on how managers thought industry should behave. In addition to a general notion of responsibility, a specific issue can be used, such as pollution in order to determine the sharing of responsibility between government and industry.

3. There are many incentives and indeed sanctions to achieve certain forms of behaviour from industry. One of these is to provide incentives to locate industry in areas where job and wealth creation are important. The social reasons for industrial location do not always match the organisation economic goals, so government attempts to fill the "gap". However, these packages are not always well designed (Ramachandran, 1986), thus creating local distortions. If industrial location decisions are being made on the dichotomy of social and economic concerns, it would be of value to understand how the managers construe location priorities.

If, for example they feel that only economic considerations should be used, then regardless of the incentives provided, the managers will never make any decisions which will have local social impact leaving these to the theories of spill-over and chance so that when the benefits are measured by economists, the political assumptions of the researcher will determine the results. The lack of an intentional social development objective in the location decisions demonstrates

a lack of concern and therefore the low probability of any social benefits. An example from India will illustrate the point. One organisation was encouraged to set up a motorcycle manufacturing plant in a "backward area", with collaboration from Suzuki of Japan. All the skilled workforce are taken to and from the plant by bus, leaving the city around 5.30 am and returning around 7.30 pm. each day. There has, so far, been no attempt to create a local pool of skilled labour and since the workforce lives in the city and the organisation has little need for any local items, there is no benefit to the local community. The organisation has therefore taken advantage of the economic incentives without necessarily providing any social benefits.

4. The notion of integrity is important to many people in India, due to the large scale evidence of corruption at various levels and in various forms. This question can be examined from three perspectives. First the issue of "buyer beware" versus "seller beware". The former position indicates a rather primitive state of affairs in terms of a consumer society where one finds considerable protection for the buyer. On the other hand, the latter position is one where the consumer movement has gone very much in favour of the buyer to the detriment of the seller. Since India has a small but growing consumer products industry it is of interest to ascertain the stand taken by managers regarding the rights of the consumer and the producer. It may be suggested that managers stronger on "caveat emptor" than "caveat venditor" might not be so concerned with the quality of the products, implying low levels of concern for the customer. Indian production is generally believed to be of low quality, with poor supporting technology and lack of innovation. This question of where the responsibility lay for the quality of the product, might throw some light of the attitudes to quality which the managers held.

The issue of integrity can also be explored through the simple mechanism of asking the managers whether they thought it was possible to work in India while retaining integrity. Most people feel that India suffers from endemic corruption at all levels and it is not possible to be successful unless one is willing to bend.

5. In addition to integrity, the managers' treatment of employees would be an indicator of their social responsibility as it would determine the style of leadership which the managers think is appropriate for Indian employees. One might suggest that the authoritarian style of leadership does not match a socially responsible approach, whereas a democratic style is more considerate.

6. The second concern with regard to employees is with the socially disadvantaged groups in India; the scheduled castes and scheduled tribes. This group has had the legislated benefits of positive discrimination. However, the implementation through recruitment and promotion is still in the control of the socially advantaged. There has been some resentment towards the SC / ST people, because of the positive discrimination exemplified by lowering entry requirements, fixing quotas for numbers of jobs at various grades of the civil service and so on. However, in terms of social concerns, these measures should be welcomed as a means for creating greater equity in society. This issue must be investigated briefly through a question on whether the managers would recruit and promote within the spirit of the legislation or prefer to be guided only by merit.

7. Another area of socially responsible behaviour may be the "hands-on" approach, where organisations and managers contribute directly to social development through giving time to projects and issues. The recommendations of a conference on how Indian industry may contribute made this point (Ghouse, 1977) while the aid agency "PRADAN" (already mentioned), tries to serve rural development needs by getting managers to take two to three weeks of holidays each year from their organisations in order to help manage one of the rural projects. If this is one way to achieve the spill-over of modern technology to the rural needs, it would be interesting to ascertain the willingness of the managers to be involved in social causes.

5.8 Socially responsible activities of managers and their organisations

An attempt will be made to separate the individual from the organisation in the level of socially relevant activities which they engage in. It is possible for a person who is socially responsible to work for an organisation which is not. Indeed, the converse may also be true, as a firm which, on the whole, is socially responsible may have some employees who are not.

Items from the questionnaire of Berkowitz and Lutterman have been used, to examine the types of activities which the managers are involved in. Since there is a difficulty in defining social responsibility, the items chosen for this study attempt to examine three levels of responsibility. First, the individual as self, then self in relation to family and business contacts and finally self in relation to people who cannot reciprocate any help which is given. The comparison can be made between the MBAs and the non - MBAs, as well as on an inter - temporal basis as the respondents can be asked for this data in terms of when they were students and in their current occupations.

The actions which organisations can take are different from those of individuals. The former, for example, can provide housing, and schools for employees' children whereas individuals can give time or money to charities, belong to professional associations, and vote in general elections. The activities of organisations, have been based on the social audit suggestions in the literature of social responsibility and amended for relevance to the Indian industrial scene. Since this study has drawn on the theory of personal constructs, and will be based on personal interviews, it is likely that the data on the social activities of the organisations will be what the managers think it is rather than what it actually is. Findings of how managers construe their organisation's behaviour is important, because of the assumption that these will guide their future actions.

5.9 How managers construe the social responsibility of their organisations

The basic objective can be established at this stage. However, personal construct theory and repertory grid technique can provide so much more to a study in terms of richness of data than can be elaborated in a series of clearly written objectives. The essential objectives are therefore supported by construing this study as an exploratory research which uses an elaborate "listening" device and a sophisticated computer analysis package.

Based on personal construct theory and the repertory grid technique (the latter to be explained in chapter six), managers' construing on how organisations behave vis a vis society will be elicited. The underlying dichotomy of modern industry and social development can be investigated in the following ways;

1. Obtain the names of organisations which the managers believe to be socially responsible and the reasons for this. With the help of secondary data, it should then be possible to determine the accuracy of the constructs which the managers have of socially responsible organisations. The data can also be compared between the two groups, of MBAs and non - MBAs.

2. The constructs which the managers give for their choice of organisations can be analysed in terms of the above mentioned dichotomy. In order to generate relevant data, a pilot study can be used to obtain a common set of constructs and from the pool of constructs, a grid will be provided to the managers for response. Comparable data will then provide the basis of comment on MBAs and non - MBAs. As stated above, the separation of organisational and individual responsibilities is important, so this first section deals with the way an organisation behaves. However, it is not

conducted in isolation, as the individual is also asked to relate his position to the organisations through statements like: "the organisation I currently work for", "an organisation I would next most like to work for" and "an organisation I would definitely not work for".

As a result of setting the above objectives and using repertory grid technique, the following additional ways of construing the data becomes possible.

1. The organisation corollary of personal construct theory which suggests that people have an ordering of priorities can be investigated. The computer analysis carries out a principal component analysis which gives the main constructs used for distinguishing the organisations. The components can be compared between the two groups of MBAs and non-MBAs and also with the researcher's views on social development and social responsibility.

2. The commonality corollary suggests that people who construe in similar ways may be psychologically similar. The comparison of the two groups will enable analysis on the basis of this corollary. If, for example, the two groups are similar, then it might be possible to conclude that there is no "psychological" difference between MBAs and non-MBAs. If this is the case, then the IIMs may be perceived as having failed to create any major differences, in terms of how the two groups construe social responsibility.

The socially responsible behaviour of organisations is one index of how managers construe and make choices. One of the choices which the individual has to make is with placements. If he wishes to work in certain types of industries, the choice will be guided, among other things, by the way the person construes that industry. The public sector, for example, is perceived to be less attractive than the private sector on several counts, including remuneration, career progression, job satisfaction, autonomy. However, the public sector, on the whole, is perceived to be more socially relevant than the private sector. These issues can be examined through the repertory grid technique, within the context of the underlying dichotomy of modernisation and social development.

5.10 How managers construe individual social responsibility.

This final objective is central to the study and the data which will be collected to examine this issue should enable a decisive commentary on the social relevance of postgraduate management education. It is elaborated in terms of personal construct theory, particularly those parts of the theory which best help to explain social responsibility of MBAs and non-MBAs.

The fundamental postulate of personal construct theory states that a person's psychological processes will be channelised by the way the person anticipates events. This postulate implies that a manager who has within his "construct system" the notion of social responsibility may take decisions which will be channelised by this construct. The following hypotheses become possible as a result of the postulate and corollaries relevant to this study:

1. There are likely to be a number of different ways of construing social responsibility, as suggested by the individuality corollary. One should therefore expect to find a number of ways of defining social responsibility, depending on the constructions which the individuals have.

2. The constructions which the individuals have of social responsibility may be guided by their social origins and experience. It may be possible to find different experiences among people who define social responsibility in their own idiosyncratic ways as a means of explanation.

3. The range of ways of construing social responsibility is guided by their experience and learning. Therefore, managers with MBA education should construe social responsibility differently from managers who have not had the same experience and education. The basis of this hypothesis is that the IIMs claim, within their prospectus and publicity material, to be socially relevant, so that one of the effects of their attempts should be a change in the way social responsibility is construed. There is a second implication to the range corollary, which is that a person who finds developmental issues outside his range of convenience cannot construe managerial behaviour in these terms.

4. Although there are individual ways of construing social responsibility, it is likely that with a large group, one will find some commonality. If there are people who construe in similar terms, they may be grouped together as psychologically similar. The anticipation is that the MBAs may construe in similar terms, while at the same time differently from the non-MBAs. Although the MBAs and the non-MBAs may be differentiated according to their social origins, age, sex and so on, this particular way of grouping people according to psychological commonality or difference is the most helpful in discussions of social responsibility.

The hypothesis that results from this corollary is that the MBAs and non-MBAs construe social responsibility differently due to their different backgrounds and education. If, however, they do not construe differently it is possible to suggest that postgraduate management education has failed to impart any special understanding of social responsibility

and that MBAs and non-MBAs may therefore be construed as a single group. The implication of construing the two groups as a single unit is that the whole of Indian management construes in similar terms, so this particular social group does or does not have within the construct system ways of construing social responsibility which can benefit the wider society.

The results of tests based on this corollary will enable a definitive comment on the social relevance of management education and this can be illustrated through examples of people who construe social responsibility in developmental terms and those who do not. The IIMs as providers of higher education then exemplify the relevance of other forms of postgraduate education, particularly the vocational degrees.

The method of collecting and analysing the data is described in the next chapter. At this point it is sufficient to state that the individual construing ought to be done with repertory grid technique in the way that Kelly intended it to be used, in other words an open ended method. This is likely to lead to a "Pandora's box" in terms of the data but it is important to allow the managers with and without the MBA to construe social responsibility in their own terms rather than through the constraints of the terms which the researcher might put forward.

The analysis is based on "principal component analysis" which is a computer aided facility, briefly described below.

5.11 Grid Analysis Package

Analysis of repertory grid technique is guided by two major schools of thought. One of them is based on work done at Brunel University by Shaw (1981) and the other is based on Slater's work for the Medical Research Council (1972). It is the latter school of analysis which has been used, through the Grid Analysis Package (GAP) from the University of Manchester Institute of Science and Technology, which is also available at the Cranfield Institute of Technology.

The grid analysis is centred on principal component analysis, through the hypothesis of organisation corollary which suggests that people order their constructs according to some internal priority. The GAP carries out a calculation on the grid data to pull out those components which best explain a person's ordering of constructs. It has been suggested that the first two or three components explain the majority of a person's way of construing a given subject. On the basis of this corollary and principal component analysis, it is possible to discover the core constructs of an individual. According to personal construct theory a person's constructs are likely to guide an individual through the choices and decisions which have to be made and

core constructs are likely to play a major role in this process. The major analysis is therefore based on principal components in order to explain the construing of social responsibility, and as Mischel has suggested (in paragraph 3.2, above), it might be possible to move from explanation to prediction.

The research objectives outlined above are a diverse collection aimed at answering the superordinate aim of the study, stated at the beginning of the section. The approach has been guided by the lack of an existing framework for studying social responsibility, the recognition that it is not possible to frame a clear hypothesis with a subject which has no quantifiable research methodology and most important, the application of a novel approach to this area, particularly of personal construct theory as an evaluation tool.

The objectives also cover an important area of management education which is often neglected by other researchers. The study has examined social relevance in order to evaluate higher education from the perspective of society rather than the immediate beneficiaries, thereby also adding a new perspective to the literature on social responsibility

While the research objectives have been guided by the national goals, an attempt to operationalise the goals through the socially responsible behaviour of individuals and organisations, personal construct theory has provided a basis for setting some hypotheses which can be tested. Another major influence on the objectives and the study is the use of repertory grid technique, through the doors it helps to open. This technique is considered in the next chapter within the context of research methodology so that it is possible to differentiate this technique from others which are available to the researcher.

REFERENCES

Harbison F. & C.A. Myers.; Education, Manpower and Economic Growth. McGraw Hill, London, 1964.

Ghouse G.; Guidelines on "Industries' participation in agriculture and rural development". Financing Agriculture, India, Vol 1X, No 2, p44-47, July-September 1977.

Lall S.; The New Multinationals. The spread of Third World Enterprises. J.Wiley and Sons, 1983.

Pascharopoulos G.; Higher education in developing countries: A cost benefit analysis. World Bank Staff Working Paper No.440, Washington, 1980.

Ramachandran K.; Appropriateness of Incentives for small scale location in less developed areas: the experiences of United Kingdom, Japan and India. Ph.D Thesis, Cranfield School of Management, 1986.

Shaw M.L. (Ed.).; Recent Advances in Personal Construct Technology. Academic Press, London 1981.

Slater P.; The measurement of consistency in repertory grids. British Journal of Psychology, 121, p45-51, 1972.

Turner L.; Multinational Companies and the Third World. Allen Lane, 1973.

Vaizey J.; The economics of education. Faber & Faber, London, 1962.

Whitley R., Thomas A., & Marceau J.; Masters of Business administration ? Tavistock Publications, London and New York, 1981.

Chapter Six

Methodology

6.0 Definition of Research Methodology

Definitions of research and methodology have been attempted by a number of philosophers, who have proceeded to provide dichotomous definitions. The frameworks for such definitions provides researchers with the confidence to move in certain directions.

The earliest debate on research was whether to define it as inductive or deductive (The Economist, 1981, 99..104). Inductive research being the observation of facts. On the other hand, deductive research requires;

"consistent and coherent theorems to be derived from pure reason and untainted by the unreliable evidence of the senses". (Op Cit., p100)

This basic dichotomy has been rephrased in several ways, each time with a subtle impact on the application of specific research methods.

Qualitative versus Quantitative research is an example of this dichotomy and hangs on the purpose of research; for example the study may require an observation, description, explanation or prediction (Margerison, 1982).

Inquiry from the Inside and Inquiry from the Outside is a restatement of the same proposition, where inquiry from the inside is characterised by experimental involvement of the researcher, the absence of a priori analytical categories and an intent to understand a particular situation. The latter calls for detachment on the part of the researcher, who typically gathers the data according to a priori analytical categories and aims to uncover knowledge that can be generalised to many situations. (Evered and Louis, 1981, p135).

A slight variation on the theme is the distinction between Exploratory and Nomothetic research where exploratory research suggests the absence of a hypothesis while nomothetic research is conducted within the framework of a formalised generalisable theory with a rigorous hypothesis. (Paragraph 3.2).

The debate between inductive and deductive forms of research has created several dichotomies, yet another being the subjective and objective debate in the social sciences. There is also an impression among researchers that inductive research is soft and somehow less than the best possible approach, while a hard positivistic study is better science. The history of hard science lies in mathematics and physics which lend themselves to a carefully structured testable hypothesis. The problem of simply borrowing the hard methods for the social sciences is that the positivists reject the

need to account for the processes which go on inside the mind. The behaviourists have therefore constrained themselves by wanting to ally themselves solely with the positivists. Kuhn (1970) has suggested that the hard sciences are irrational in any case, as the body of scientific knowledge moves in paradigms, where a certain body of thought holds a certain view on the world until such time as a satisfactory challenge comes along to shake the theory. A classical example is the work of Darwin who replaced the creationists with the evolutionary model of the world.

Perhaps social scientists need to recognise a shift in the paradigm in research methods from a positivist approach which rejects the treatment of man as a person, treating him instead as an organism (as do biologists and zoologists). This movement did come about, through the acceleration in the debate between inductive and deductive research.

An aid to bridging the gap between the dichotomies has been the development of new technologies, such as nonparametric statistics (Siegel, 1956), the sophistication of clinical psychology, developments in the other areas of social sciences and research methodology. A major contribution of the positivists to the inductive researchers is their assertion that even one example is sufficient to disprove a theory, with the result that there has been a development of case study methods.

These developments have lead to a softening of the two sides so that one can accept a situation where the two approaches are seen as complementary rather than as being in conflict (Evered and Louis, 1981). The apparent conflict between the two approaches is the result of attempting a "scientific method" to solving human problems in the social sciences. The problem has been well described by Mischel (1964) as the difference between an explanation of human behaviour and the prediction of it.

Prediction he suggests requires a hypothesis based on nomothetic laws and available statistical techniques for testing the hypothesis. There is one caveat expressed by behaviourists who suggest that one should study what goes into the mind and what comes out and avoid speculation about what goes on inside the black box itself (The Economist, 1981).

The problem, then, is that if one is attempting to predict behaviour in the sense that a hypothesis is being framed, the hypothesis cannot actually be tested if the behaviourists ban on speculation is obeyed, because the researcher would be testing his own hypotheses through the behaviour of his subjects without the desired "scientific"

certainty due to the intervention of the subjects' "black box".

The dilemma that the social sciences have created in attempting to provide "scientific respectability" to the areas of study which, because of the human needs, do not lend themselves to such treatment can shackle a researcher into ever narrower areas of study, because of the need for a hypothesis to be testable. One of the reasons for this approach could be that man is being treated as an "organism".

"Modern psychology is not, in the main, about persons and so by making the person central to the matter of psychology, personal construct theory changes the boundaries and the content of the science" (Bannister and Fransella, p44, 1971).

The treatment of man as an organism has led to many terms such as reward, punishment, drive, negative and positive reinforcement, which are all at high levels of abstraction of behaviourists.

Man can be studied as anything (Op Cit., p47) depending on the objectives; perhaps studying him as a person can yield more rewarding insights from which to explain or predict behaviour. At a high level of abstraction, it is possible to set up the basic question or hypothesis. In the light of research methods which might be the most rewarding, the basic question may need to be reconstrued.

This research is based on a stand which suggests a complementary approach between the positivists and the qualitative modes of research, because there appear to be greater benefits to operating within the alternative framework which takes the view of man as a "person". As Evered and Louis have already stated, there are benefits to be drawn from both forms of research. This researcher has based the central arguments on the theory of personal constructs, explained in chapter three, which it is felt can lead to the next paradigm in social research methodology because Kelly seems to take up where the behaviourists stop; with studying the "black box". In addition, because the theory of personal constructs is reflexive it is perhaps the first clear theory to bridge the conflict between inductive and deductive forms of research. Some of the typologies of research are presented below, prior to an elaboration of the research instruments used in this study.

6.1 Five types of research have been categorised:

Pure basic; which is concerned with a theoretical problem arising in a basic discipline.

Basic objective; dealing with general practical problems arising in many contexts.

Applied research which deals with practical problems.

Action research concerns itself with practical problems with a theoretical relevance.

Evaluation research is concerned with providing an assessment of some aspect of performance.

It is convenient to understanding the problems to categorise this study as an evaluation research, because in essence the postgraduate management education is being studied for its social relevance. Evaluation research has been used extensively for assessment of change programmes designed to tackle the problems of poverty, ethnic discrimination and educational opportunities. (Clark, 1972) The stages in an evaluation study are described next.

6.2 Stages in a normal programme of evaluation research

1. Examining the objectives of the organisation or its component parts.
2. Identifying the goals of the selected unit.
3. Establishing the criteria against which success can be measured.
4. The research study.
5. Comparison of actual performance with previously established criteria.
6. Reporting the discrepancy.

The preceding chapters, particularly the first, has dealt with the first two stages of the evaluation research. The explicit and implicit objectives of the IIMs have been stated as providers of managers for the modern industrial requirements of India, while at the same time ensuring that these managers are socially responsible so that they will make decisions which will be of widespread benefit. The selected units of research are the MBAs who are compared to matched non-MBAs in order to determine how they construe social responsibility. The goals which the managers set for themselves in terms of their careers are also evaluated.

Stage three of the evaluation study has been covered in chapter five, through an elaboration of the objectives of this thesis. The main aim of the research and its subsidiary hypothesis provides the yardstick against which the results can be measured.

Stages five and six of an evaluation research follow in the next five chapters, in the form of the results and discussions. Meanwhile, the rest of this chapter deals with stage four, the research study and describes how the sample was selected, the pilot study, the questionnaires which have been used and the reasons for their design. The career orientation questionnaire is also discussed briefly. The major instrument repertory grid technique is explained and discussed. The data was collected through structured personal interviews and the operational aspects are mentioned.

6.3 The sample selection

a) The size: Since this research is qualitative, the sample size needed for the research did not have to be large and because the data was to be collected from in-depth interviews the sample had to be as representative of the population of MBAs as possible. This needs to be compromised in a country such as India where data is not readily available.

For this study the "population" comprised the MBAs from address books of the IIM alumni in 8 cities of India, a total of 386 MBAs of the IIM in Ahmedabad. There were no details available for either of the other two IIMs.

There have been a total of around 4,500 MBAs who have qualified from all three IIMs, so that a qualitative study based on around 50 MBAs was felt to be adequate and appropriate to the needs. In the event, slightly more than 50 interviews were conducted (58) in order to ensure that there would be at least 50 usable interviews. The characteristic of the main population of IIM graduates which was required was the industry in which they worked, so that the respondents could be stratified as closely as possible. It is also necessary to ensure that the sample includes people across as wide a spectrum of ages, occupations and seniority.

b) The "control" sample: This task is made necessary by the need to compare the MBAs and postgraduate management education against a yardstick. The IIMs have set themselves certain objectives which are incremental to the general level of higher education, therefore the "control" group is required to see if any differences exist and what these might be. However, the "control" group cannot be a random collection from the population as a whole, because of the

need to collect data from people in certain levels of decision making.

The "control" group has to be matched for equivalence of job seniority. The aim of the study is clear in the need to assess the social responsibility criteria which will be used for making choices and decisions. One cannot then comment about an MBA who may be a senior director unless the "control" also is a senior director. The method for collecting the matched control group was essentially through introductions by the MBAs. The basic statement which helped the respondent to provide the name of a "matched" non - MBA was as follows:

"Could you please give me the name of a colleague in your own organisation or a person in another organisation who you feel has an equivalent level of seniority in terms of their job, but does not possess the MBA from any of the IIMS. They may have other postgraduate degrees and may have had other forms of management education, but not the IIM qualification"

The only criteria for the matched non-MBA was equivalence of seniority. Age, sex, other demographic issues were not considered relevant to a study on the social responsibility of managers. From the 58 MBAs, a total of 56 non-MBAs were interviewed and in the final count 53 pairs of MBAs and non-MBAs have been included in the results.

c) The sample were selected from four cities in India, for convenience of data collection, as the researcher had facilities in each of the cities and there was a sufficiently large pool of MBAs who could be interviewed. Going into smaller towns or other forms of geographic targeting was not expected to enhance the quality of data, thus the focus remained with the four cities; New Delhi, Bombay, Madras and Bangalore.

6.4 Hazards of sample selection

This section summarizes some of the hazards in sample selection and data collection, which may have contributed to a bias. Some of the sources of possible bias are discussed, with suggestions of why their effects may not be a problem to the results and inferences of this study.

a) Addresses of MBAs were available only through the better organised alumnus office of the IIM at Ahmedabad, while by contrast, the student records with the registrar were out of date, at both the IIMs in Bangalore and Ahmedabad. The IIM at Calcutta did not respond to two requests for details of alumni addresses. This particular problem exemplifies the difficulties which Casley and Lurey (1981) have written about in connection with data collection in developing

countries. The effect of having a "self selected" group, in the sense that the alumni is made up of people who tend to keep in touch with the Management Schools, rather being representative of MBAs in general is the possible introduction of a bias into the study.

However, the addresses were not entirely up to date so only 28 of the respondents were made up from the lists with the balance coming through business introductions and social contacts.

b) Another potential source of bias in the study is the restriction of sample selection to four cities. The implication of this restriction is that MBAs who may be working in rural areas have been missed. Every effort was made to ensure representation of occupation into the study rather than location. The former method of selecting a sample is fairly realistic, whereas attempts to obtain geographic representation would have created practical difficulties and did not seem relevant to the needs of this study. It was through the alumnus records that the respondent working in rural development was found. In addition, every effort was made to ensure that some representation of people working in government were interviewed and here again the names were obtained through the alumnus records.

As there are no other wide ranging studies for comparison, the only realistic way to attempt sample selection on the basis of occupation was the use of alumnus records. This has been dealt with in Table 7.8.

c) The IIMs make special provisions for people from less privileged groups and it may have been interesting to include, explicitly, a representation of these groups. However, this was deliberately avoided because it was felt (and advised) that to attempt a definition of social responsibility alongside enquiries regarding religion and caste may create serious problems.

d) A qualification on the sampling method concerns the matched non-MBA, the control group. If one is to isolate the effects of the IIMs, it is critical to exclude all other potential sources of influence on the way a person may construe social responsibility. In this situation the MBAs and the non-MBAs would, in effect, need to be clones in all respects but one. However, the practical expedience of research needs were such that a basic assumption was made; that the extraneous influences on the MBAs and the non-MBAs were equally distributed and therefore cancelled each other. It is acknowledged that this assumption may cast doubts on the quality of the control group.

e) Finally, the sample of MBAs and non-MBAs were interviewed at a specific point in time, so one has a Snap-Shot view of the respondents' constructs on social responsibility. In order to draw firm conclusions, rather than strong inferences, it may be necessary to have a longitudinal study. This point is re-visited in the concluding chapter.

6.5 The period of study

The research topic was discussed and piloted in India during December / January of 1984 / 85. The pilot study is described in the next section. The main data collection in India was carried out during July 1985 and again in December of the same year, running into early 1986. There were two major events during the study. These were the assassination of Mrs. Gandhi and the Bhopal disaster. The first event had the effect of slowing down the data collection in Delhi. The second event influenced many of the respondents in their selection of one of the items in the repertory grid form to be discussed later. Of slightly less significance to the country, but of relevance to this study is that one particular Indian organisation was mentioned in most of the local business and colour weekly magazines while the study was on. This organisation was being hailed as a major success story, with the result that this organisation also featured in one of the items of the repertory grid.

6.6 The pilot study

The selection of the sample and the design of the research were based on the findings of the pilot study. This stage was also important in clarifying the objectives of the study. Although the main aim of the research was developed within the framework of macro economics, it soon became apparent that there was no research methodology which could handle the question being asked. Therefore, a pilot study was needed to define the objectives at a micro - level, where the methodology was available and where any recommendations could be implemented. A summary of the main issues of the pilot study is presented below.

6.7 The objectives of the pilot study

1. To determine the explicit and implicit objectives of the IIMs, by interviewing faculty, alumni and current students and also by collecting any published material.
2. To try the repertory grid technique as a possible research methodology
3. To assess the practical issues of data collection, such as when to visit, how long to spend, the costs and so on.

6.8 Interviews with faculty

Semi-structured interviews were conducted with eight members of the faculty at the IIM in Bangalore and a further six unstructured discussions were held with faculty at the IIM in Ahmedabad, including their Director, Professor Sheth.

Fundamentally, the faculty saw the objectives of the IIMs as playing a role in the development of managers for the wider goals of society, in that they generally perceived the process of industrialisation as a necessary condition for improving the lot of the people, therefore a need for well trained managers. Their views on the institutions, the programmes, social responsibility, the students, entry and selection processes are summarised below.

The postgraduate programme (MBA), which is of specific interest to this study was construed merely as one of the tools with which the IIMs achieve their major goals. The other tools being research, consultancy, and short courses for professional development. However, the PGP is by far the biggest area of activity, consuming the major proportion of the resources in terms of space, faculty time, library and computing facilities. Therefore it is appropriate to focus the evaluation of the social relevance of the institutions on this programme.

The faculty did concede the bias which exists in their selection process. The common admission test, interviews in english, the demands for academic excellence all played a role in creating the bias in favour of recruiting engineering graduate students in the main. There is a reservation of 22% of the seats for the scheduled caste and scheduled tribes candidates, with a lower entry requirement and they are allowed to take up to three years for the programme if they need to. However, the reservation of seats is due to legislation rather than an IIM policy.

The faculty believe they are trying to create a socially relevant programme with the inclusion of projects, courses and role models. Both the IIMs in Ahmedabad and Bangalore have sectoral courses and electives, such as in agriculture, energy, habitat, transport and so on. However, it seems that many of the students have worked out "the system" and apply for these courses on the application forms because some of these sectors may be undersubscribed and in the entry process the institutions do consider the applicants choices of electives. Although it plays a minor role in the admissions system, the students are not applying for these sectors out of any genuine interest, because, according to the faculty, most of the students convert to other areas by their second year.

The projects themselves are concerned with rural and other issues, but are a small part of the activity at Ahmedabad and a major failure at Bangalore. At the IIM in Ahmedabad, the projects are voluntary and around a dozen students get involved with a project each year. The Bangalore effort has been obligatory during the summer break and the lack of interest by the students has resulted in many trivial projects and considerable protest by the students. There did not seem to be any enthusiasm for the projects among the faculty interviewed.

The implications of the interviews is that the area of research is appropriate, as the faculty recognise the need for social relevance, through their publications, concern with recruitment, efforts at imparting social responsibility and a conviction that management education is necessary for the development of the country. One Professor defined a socially responsible manager as "a professional and effective manager who tempers his decisions with compassion for human values". This definition at a micro-level is a reiteration of the national goals of the country which call for modernisation while at the same time providing for social development and equity.

6.9 Interviews with alumni

Semi-structured interviews were conducted with a number of alumni to obtain their views on the issues raised in chapter five. The outcomes of the interviews are summarised below.

The public sector in India is a very important part of the economy and so much of Indian industry and life is linked in to this sector. The government and the public sector corporations are involved at all levels; primary, secondary and tertiary; they are large employers and efficiency of their operation has a major impact on society. For example, energy, transport and other infrastructure industries are controlled by the public sectors and the lack of good management is said to create problems, slowing down development.

The belief in India that MBAs who do not work for the public sectors are not contributing much to society is based on the recognition of the importance of the public sector. This stereotype image held by the opinion leaders (faculty, policy makers and so on) can be challenged on closer examination of what the MBAs actually do in their jobs rather than simply looking at the sectors they work in. The interviews revealed, for example that the multinational banks in India perform a critical task of organising syndicated loans for the major projects which are undertaken by the public sector. In addition, they organise seminars to transfer modern banking methods to the Indian banks and provide channels for Indian exporters.

Another interviewee revealed that Ponds, a cosmetics firm, had started to export shoe leather and clinical thermometers. These efforts recognised the need to diversify their activities and play the role of "good corporate citizen" in the eyes of the government. The inducement to diversify came in 1977 with the Foreign Exchange Regulation Act encouraging multinationals to consider exports of Indian goods as a means of repatriating their profits. Although the motivation to diversify was not altruistic, the effect has been to create some low skill jobs in economically deprived areas.

At the development end of the scale, as opposed to the commercial modern industry end, there is a graduate who has formed an organisation dedicated to helping voluntary agencies working in rural sectors. His remuneration (half the average pay for MBAs) comes from charitable trusts like Ford Foundation. His organisation is atypical of the form of employment most MBAs seek. In the analysis of the list of names and addresses from the IIM in Ahmedabad, there were 6 out of 386 engaged in this type of work. (Table 7.8)

Of the seven alumni interviewed, only one could be said to be from the lower income group, but this was a self-image of the interviewee. His father was a refugee of the partition period and ran a tailoring establishment employing around 50 people. It would seem that the perception of an entrepreneur of this type was that of a lower social standing compared to people who worked in the civil service or held other professional occupations on the basis of academic qualifications.

In this small group, it seemed that the graduates were not job-hopping, an accusation often levelled at MBAs. Although moving jobs frequently may be seen as a cost and a form of inefficiency, confirming such a phenomenon is peripheral to this study and has been assumed away as a desirable feature in a free market system whereby the employers and employees are finding out about each other.

With the exception of the younger interviewees, all the alumni recognised that the implicit objective of the MBA programme is to develop a management resource for the development of the country. The differences lay in the interpretation of the term "development" and how this was to be achieved. The operational term offered by one of the members of the faculty at the IIM in Bangalore was:- "economic growth plus equity", which is the same as the definitions and objectives desired by the national planners.

The improved quality of management in the industrial sectors can lead to a degree of equity through certain actions taken in the corporate sectors, such as job creation, socially relevant projects and products, the diffusion of management

practices and technology and so forth. Some of these issues have been examined in the IIMs through working papers, some of which were available during the pilot study and are summarised below.

6.10 Internal working papers

There were three papers which came to hand and each of them demonstrates a different approach to the way this study has been conducted. Two of the papers, by Samuel Paul and Ramola et al. have been discussed in paragraph 1.9. A third paper by Dayal (1972) is summarised below. It is a diagnostic report at the IIM in Ahmedabad generated by a committee to cover the following issues; admissions, curricula in the first and second years, summer placement, permanent placement and the faculty / student relationships.

On the issue of admissions, it was felt that the entry should comprise a mix of fresh graduates and people with experience. This was considered to be important in order to help the younger students learn more easily, to be influenced by a managerial orientation and to evolve a sense of social responsibility. The discussions on course development in the two years included the question of atmosphere and culture of the IIM. It seems that the students encountered shock when they first arrived at the IIM and also felt fear in the first year due to the pressures of the programme.. This seemed to result in a lowering of motivation as the students focused on beating the system rather than learning from the courses. It would seem that this problem is not very different from that experienced at most business schools which have copied the high pressure Harvard model.

The committee concluded that the one central issue was the problem of academic excellence. It found that over time the process of the PGP has acquired the belief that academic excellence was achieved by adding pressure of course work and keeping the students grounded to teaching materials. However..."converging all energies of the Institute to make technically competent managers is a limited objective in todays times". The report goes on to say

"The preceding education system, i.e. schools, colleges and Universities have failed to contribute to the students, an understanding on the perspectives and values of living in the modern society. They have also failed to generate in students either the concept of social responsibility or simultaneous commitment to themselves as well as the system. IIM, being a professional school of management and a threshold to entry to work may perhaps consider to examine whether its role to PGP students is completed in remaining a professional and technical school of education. Or,

should the IIM venture upon to add to its role a professional perspective of training people for living and helping to evolve commitment to the systems they belong to. In the view of the committee one of the roles of the IIM-A could be to provide an understanding of the wider environment values and perspective; which ultimately lead to the emergence of commitment of the students to the systems they belong to, however transient their stay is".

Although a few of the respondents predate this report, there is sufficient evidence from the interviews and the internal documents to suggest a concern for social responsibility as an objective for management education and this objective has been part of the value system held by the faculty since the inception of the IIMs. Further, the interviews have enabled the design of the questionnaires on social responsibility, socially responsible activities, repertory grid role sheet, and the adoption of questionnaire on career orientations all of which are discussed separately in the sections below, following a brief summary of the pilot test of the repertory grid technique in India.

6.11 Pilot repertory grid

The application of the repertory grid technique is illustrative of the kind of data which was available through this method. The details of how "elements" and "constructs" are elicited and related to each other are left to a later section. Six interviews were conducted, three of which are reported here, as the other three did not seem to shed any light on the area of research.

The first two grids were based on the use of company names for "elements" and the third on the job titles.

Grid 1: The respondent construed organisations he works for and would next most like to work for as less socially relevant although the first choice apparently had power and influence over the market. The second choice organisation was a public sector firm, collaborating with a multinational (Maruti / Suzuki) which he clustered with element seven, which is Ponds and thought to have a negative effect on the development of the country by this respondent. The constructs elicited from this respondent have been included on the grid in the main study of corporate responsibility.

Grid 2: This subject is a professor at the Indian Institute of Management at Bangalore and it seems apparent from his grid that he construes a great distance between his current life as an academic and industry. His principal component is based on a dichotomy of modern progressive sectors and backward modern sectors. The result is interesting in his omission of the non-modern sector from

the construct system and the construct which suggests that modern progressive India is better for development. The clusters of "elements" are interesting as he has grouped his second choice of employment (a major computer consultancy) with Glaxo and IBM, although he has construed Glaxo as doing nothing for the development of the country and IBM as one with the potential for aiding the development of the country if they were allowed back to India. (note; IBM left India in 1977 when the Foreign Exchange Regulation Act was introduced, and under which they would have had to share their technology rather than simply import computers for resale).

Grid 3: This grid, based on job titles, provided evidence to support the need to provide constructs for the respondents to rate, because without a common set of constructs against which everyone is evaluated, it becomes extremely difficult to analyse data on a comparative basis. However, the needs of the research also contributed to the decision that there should be two grids, one based on provided constructs and one on elicited constructs and these are discussed separately in section 6.21 below. The way in which this grid contributed to the decision to provide constructs is that all the elicited constructs had little or nothing to do with social responsibility or development although the terms of reference, to the respondent were clear. There were two implications of this result.

The first is that social responsibility was outside the range of convenience of the individual, and as he was a second year student at the IIM in Ahmedabad, perhaps this is saying something about the curriculum. Secondly, the risk of using this method (job titles) of collecting data is that many of the respondents may have the same difficulty of not having social responsibility within their range of convenience.

If social responsibility is outside the range of convenience of the respondents, this itself is saying something about them, but it would enrich the research if social responsibility was within the range of convenience of most of the respondents and that they were differentiated by the principal component analysis. As a result of this decision, the roles used in the main study were based on people who the respondents knew.

6.12 The research instruments

The aim of the research is a fairly complex one, requiring a number of objectives. It was decided early on in the study that rather than use any one single instrument, a diverse range of questions would be used so that the one main aim could be considered from many perspectives.

In the event, there were five main instruments;

1. Social origins questionnaire, with social activities of respondents and their organisations (Appendix 6.A)
2. Attitudes questionnaire. (Appendix 6.B)
3. Career Orientations inventory (Appendix 6.C)
4. Repertory grid for corporate social responsibility, based on provided constructs and (Appendix 6.D)
5. Repertory grid for individual social responsibility, based on elicited constructs. (Appendix 6.E)

The instruments are now discussed, with comments on their reliability and validity.

6.13 Social Origins, employment and occupations

This questionnaire has the following sections to it;

1. To determine the educational and occupational origins of the parents of the graduates. It was felt that this information would enable a commentary on the social capital of the graduates. The data on parents' income proved to be unreliable because many respondents could not recall the necessary information. This problem would have been encountered whatever the cut-off time used in the study. Here, the time used was "parents' retirement", while the report in Business India (July 19, 1982) has used the period when the graduates went into postgraduate education. The respondents had no problems in recalling the level of education and the occupational details of their parents, both of which were also not complicated by the effects of inflation and other extraneous factors which would affect data on incomes.

2. On the question of educational paths, the respondents were asked to provide data for the education of their paternal and maternal grandfathers, in order to ascertain the level of social mobility which had occurred over three generations. The data on this factor also proved to be unreliable and invalid. First, the respondents could not recall with any accuracy what types of education their grandparents had received. Many could not recall the occupations either. This is not surprising, as many had lost their grandparents very early on. Secondly, of the data which could be gathered, many of the educational qualifications are not comparable with modern degrees as they were gained under a different system being a traditional hindu system of education including religious studies. Therefore this data, as with parents' income has been excluded from the results.

3. On the question of social origins, the following data were gathered and used in the analysis; the type of school to which the respondents went, the university and subject taken, whether they had any additional qualifications and the year they graduated from the first degree and the management qualification. The date of birth was not of interest, but the date they gained their first degree and the management degree was, because the elapsed time from their degree to their current seniority would be an indicator of career progression. Since most people gain their first degree at approximately the same age, this stage was used as the cut-off point.

4. The questionnaire was also used to gather data on the respondents' current occupation, in terms of income, job title, name and type of ownership of their employing organisation. The item of particular relevance to this study is the job title as this helped to determine the level of seniority of the respondents and provided the basis for matching the MBAs with the non-MBAs. There were no threats to either the reliability or the validity of the data gathered under this section as the interviewer had supplied a questionnaire and any doubts were cleared up during the interview. The doubts concerned the ownership of some organisations, although nine categories were offered, one or two respondents felt their organisation was outside this range. These are discussed in the relevant section of the results.

The level of seniority of the respondents was determined through four questions; job title, the person to whom the individual reported and the number of people reporting to that individual. From this mix of data, categories were drawn up and the matching (which is of primary concern) checked using rank order correlation coefficients. Since the respondents were asked for introductions to the matched non-MBAs, the mix of data helped to reaffirm the matching of the two groups for comparison.

5. The data on ownership of the employing organisations was supplemented with the primary activity and size in terms of sales turnover and number of employees. The first two issues helped merely with classifying the respondents according to where they worked, in terms of ownership and activity. This helped to challenge the stereotype image that the majority of MBAs work in the private sector, many in multinationals marketing fast moving consumer goods.

The use of the second set of data on the company size was aimed at an attempt to provide a quantifiable index in evaluating management education. It was based on the inter-firm and inter-industry comparison methods outlined in paragraph 1.12. Four items of data were gathered; sales, total employees, total number of MBAs in the organisation

and the total "executive cadre" which was defined to the respondents as the managerial group largely responsible for their own decisions. This latter category is a difficult one to define as it is different for every organisation and indeed the interpretations which individuals place on this term also varies.

During the course of the interview the variations in interpretation of the term "executive cadre" were minimised, but the resultant index could only be viewed as a potential tool for further development. The items included for analysis were;

- a) sales per employee, as an index of productivity
- b) the number of executives per employee as an index of the "density" of managers in an organisation
- c) the ratio of MBAs to managers, also as an index of "density", this time of MBAs in the management of the organisation.

It must be stressed, that although the method holds promise, it is susceptible to errors of reliability and validity. If these problems can be solved, it may be possible to obtain the following information from such an index.

To ascertain the efficiency of the organisation in relation to the density of managers and MBAs. Although this index does not establish a causal relationship it is able to indicate whether organisations with higher or lower proportions of MBAs in their management are more or less efficient. This might indicate either that the MBAs have contributed to this efficiency or that MBAs tend to work for the more efficient companies or indeed that the more efficient organisations tend to recruit MBAs. Due to the problems of reliability and validity, the results have not been used, but mention of the method is made here for future potential use.

6.14 Career Orientations

This sections outlines another method of classifying the respondents; according to their career orientations. The original study by Schein was longitudinal and interview based spanning many years. From his research, Schein developed five career "anchors". However, subsequent research by others in the field has resulted in a 41 item questionnaire which, being at an early stage of development, is called a career orientation rather than a career anchor. This questionnaire, developed by DeLong (Schein, 1982) has been used in India in this study with three groups of individuals. These are the MBAs, the matched non-MBA colleagues and second year MBA students at the Indian Institute of Management in Bangalore. The questionnaire itself is in Appendix 6.C. Each item on the questionnaire has a scale (1 to 6) so that there is no mid point. At the end of the questionnaire, the respondent transfers the score from the scale to one of nine columns where they are added together and the sum is divided by the number of questions under each heading. The highest average score indicates the respondent's career orientation.

There have been some questions relating to the reliability and validity of this instrument by other users of the questionnaire (Vinnicombe, 1986). In overall terms the questionnaire does provide a fair indication of the career

orientations of the individuals. In fairness to DeLong, he does call it a career orientation questionnaire rather than a career anchor questionnaire, implying his own doubts.

The questionnaire was not given out "raw" to the respondents. The concept of the anchor was explained to them and once they had completed the questionnaire a brief discussion followed in order to ensure that the career orientation which the instrument had revealed was actually in accord with what the respondents themselves felt. There were a few respondents who had more than three "orientations" of equal score and it was felt that yet another orientation was probably being "discovered" in line with Indian conditions and the individuals own anchor. However, this was not pursued as the research is not about career orientations.

In fact, there are only four career orientations which are of particular interest vis a vis the MBAs and the non-MBAs. With regard to the second year students, Schein has suggested that a person can not develop a career anchor until he has had some experience, so he would argue that the data on these students is not a valid experiment. However, bearing in mind the fundamental postulate of personal construct theory, it is argued, here, that individuals have begun to form their career role anticipations quite early on and their career choices will be guided by these anticipations. This instrument is being used to explore the possibility of a linkage between career orientations and future career choices among management students, possibly rejecting Schein's assertion that an anchor cannot form until a person has had some work experience. The instrument as a whole has been used as a method of classifying the respondents.

The next section, moves on from classifying the respondents to exploring their social responsibility.

6.15 Socially responsible activities; the firm and the individual.

This section of the questionnaire dealt with the social responsibility of the organisations which employed the individuals and the respondents' own social concerns. The first was based on the suggestions for items which might form part of a social audit (Sethi, 1974), but related to the Indian context rather than to the American situation where the idea of a social audit was developed. Ghose's (1977) suggestions, discussed in paragraph 2.8 were incorporated, in part, into the questionnaire.

On the individual concerns, there were nine items selected out of ideas from Berkowitz and Lutterman (1968) and priorities in the Indian context, as defined by interviewees

in the pilot study. Some items on sport, holidays, belonging to professional associations and support for cultural events were included for the following reasons;

a) they were non-threatening to the respondents and enabled some positive responses on the issue of "social responsibility" in case they were not involved in the more important areas of giving aid to charities, social relevance projects or voting in general elections. It was felt important to the research process that respondents were not alienated by the questions as gaining access to managers is not easy.

b) These non-threatening items were not totally insignificant as they allowed a comment on the social process of individuals with and without MBAs. The questionnaire also split the response between when the respondents were at University and the present, so the changes over time were also noted.

The section above has permitted a glimpse at several items which might go into defining social responsibility, in terms of behaviour. There is a major problem with attempting any further research into socially responsible activity and this is simply the problem of definition. Unless one is able fully to define the terms of reference for social responsibility, it is difficult to measure it. The three remaining sections deal with the methodology which might be used for the definition of social responsibility. All three are based on the way individuals perceive it and not on the actual behaviour, although it has been argued in chapter three that there is a linkage between perceptions, attitudes and behaviour.

6.16 Social responsibility attitudes

This section is largely based on the Berkowitz and Lutterman scale (Appendix 2.A) of social responsibility. However, the items in this scale are not relevant to the Indian situation, so new items were developed during the course of the pilot study and as outlined in chapter five. The design of the questionnaire has been influenced by the scale used by DeLong and by personal construct theory to the extent that the scale used for evaluating each of the ten items were based on 1 to 6 with no midpoint for the "don't knows". This has forced the individuals to take a stand on each of the items.

The relationship to personal construct theory is based on the dichotomy corollary which states that people construe in dichotomous terms, so each of the items has an implied opposite in the minds of the respondents when giving a score. A weakness with both the Berkowitz and Lutterman scale and this ten item questionnaire is that individuals

can easily respond in the way they think the interviewer wants the answers. The threat to the validity and reliability of the particular instrument used is that it was conducted in an interview situation and a discussion ensued after the respondent had completed the questionnaire. Any doubts as to the respondents' perceptions were cleared during the interview and by provoking discussion it was possible to establish the genuineness of the responses. Further comment on the usefulness of this questionnaire, or attitude survey is reserved to the results chapter. The next section moves on from this survey to the core area of the research methodology; repertory grid technique.

Even as a child this researcher used to leave to the last the best parts of the dinner and on occasion some of the unpalatable parts as well. Fortunately repertory grid as a methodology is more like the former than the latter, although the build up to an understanding of it has proved to be a very long course indeed largely as the methodology has been separated from the theory and most of the literature is based on clinical psychology, which carries its own terminology and foundation. There is very little research in management based on a combination of personal construct theory and repertory grid technique. Therefore, one of the contributions of this research is to fill this gap.

6.17 Repertory Grid Technique

"If you do not know what is wrong with a person, ask him; he may tell. If you do ask be prepared to listen"
(Kelly in Mischel, 1964, p189)

This quote sums up the linkage between personal construct theory and repertory grid technique in the way Kelly himself described it. He developed the grid as an "elaborate listening device" in order to respond to the needs of carefully listening to his patients. According to Smith (1980) it is a powerful and statistical technique for charting the ideas of individuals and Ryle (1975) describes it in the terms of a psychologist as follows:

"The point of psychological testing in general and grids in particular, is to enable the subject to communicate matters relevant to those aspects of his psychology which are under investigation and to abstract from all his communication measures of the most significant aspects" (p30).

Ryle is not only defining the function of the grid in this statement, but also alluding to the principal component

analysis which is described later in greater detail. A further definition of the Grid is;

"a sorting task which allows for the assessment of relationships which yields these primary data in matrix form" (Bannister and Mair,1968,p136).

The repertory grid is a methodology for examining the relationships between "elements", which are the objects of our thoughts. The elements are then described in the subjects terms and these descriptions are the constructs. The actual grid is formed by writing the elements across the top of the grid and the constructs down the side. The relationships between the elements and constructs are then formed by giving scores in the matrix. An example of the grid is given below.

Assume an engineer is asked to consider three elements, say a car, an engine and a donkey. He is then asked to pair any two which he thinks are similar and to contrast it with the single element. An engineer might pair of car and engine leaving the donkey as the single element. The basis of the pairing (the construct) may have been mechanical / animal. Equally he may have paired of donkey and car together as having "four" legs and wheels while the train has more. Other people may construe the differences in other terms. The procedure is theoretically rooted to Kelly's definition of a construct;

"In its minimum context is a way in which two elements are similar and contrast with a third" (Pope,p1).

Not only is the procedure rooted to a definition of the construct, but one can see that the dichotomy corollary plays a major function, because constructs are thought to be formed in dichotomous terms. Fransella and Bannister (1977,p5) provide an example;

"When we say Bill Bloggs is honest, we are not saying that Bill Bloggs is honest , he is not a chrysanthemum or a battleship or a square root of minus one. We are saying he is honest, he is not a crook"

ELEMENTS >	Car	Train	Donkey	Bus	Horse & Carriage	
CONSTRUCTS						
Wheels_____	1	1	5	5	3	Legs
Fast_____	1	2	5	3	4	Slow
Comfortable____	1	1	5	4	4	Uncomf

The example of a simple grid demonstrates the ways in which five modes of transport may be construed. The scores of 1 to 5 illustrate a rating scale in which a score of 1 represents complete agreement with the description on the left and a score of 5 represents complete agreement with the description on the right, with points in between.

The relationships between elements and constructs, through the grid provides a useful function;

"On the basis of our explorations we construct our own individual maps of the world about us. We then use our individual cognitive maps to guide our behaviour. It follows that if we know a person's map we should be in a strong position to predict his behaviour. It also follows that if we can find ways to alter a person's map, either through management training or, say, planned experience, we should be able to alter their subsequent behaviour" (Smith,1980,p197)

The analogy with maps is an interesting one, as organisation corollary suggests ordinal relationships between constructs and the events which generate the constructs. These ordinal relationships have been perceived in spatial terms by Smith when he refers to mental maps. The production of these mental maps is now considered.

6.18 Design of Repertory grids

There is no single design of The Grid. It has developed from the original "listening device" of Kelly into a methodology which has become popular in many fields, such as training needs, evaluation of education, design of market research questionnaires, personnel interviews and, not least, in the area of psychology for the past thirty years. However, there are some common features and steps which a researcher would be advised to follow. The outline of these steps is provided on the basis of two papers, by Pope (Surrey) and Easterby-Smith (1981), the former having identified five main considerations. The first two are discussed below, with the elicitation procedure covered under choice of elements and constructs. The issue of scaling is considered with methods of analysis, at the end of the chapter.

1. Purpose
2. Choice of elements and constructs
3. Scaling
4. Elicitation procedure
5. Methods of analysis

Purpose

The purpose of a grid has at least two aspects, according to Pope (Surrey). The first is to decide on what the topic area is to be. The selection of elements will be governed by the topic area, as will be the generation of constructs. For this reason it is critical that the topic and objectives of the grid be established at the beginning. The purpose of the grids in this research is to understand how Indian managers construe social responsibility. It is also important to separate corporate and individual responsibility. The choice of elements is affected by this separation and discussed later in the chapter.

The second aspect of the purpose also plays a major role with the way the grid is developed and used and some examples from Pope's paper are presented below.

i) a conversation with self, where an individual wants to explore his / her own views and not necessarily allow any one else to know what these views are. The development of a computer program called PEGASUS allows for this application.

ii) gathering information about an individual's views on a given topic. This is the main use of the grid information relevant to this study. The intention is to gather the views of MBAs and non - MBAs on the issue of social responsibility and compare them with each other. It is necessary therefore that the procedure is conducted in an interactive and conversational style. The intended meanings of the elements and the constructs must be understood, although there may be the odd difficulty of expression. This particular application of the grid also affects the procedure. One could, for example, elicit the elements and the constructs or provide one or both, depending precisely on the purpose.

If one is counselling, the main applications will require that constructs are elicited from the subject. However, if one is attempting to gather data to test one's own hypotheses, it would be better to provide the constructs, so that data is comparable. Using elicited constructs in a non - counselling role over large numbers of people can turn the research into a nightmare in terms of attempting any comparisons.

iii) In the event of requiring group consensus, it is essential that the elements and constructs are also in the domain of all the respondents, that they are all at the same level of understanding. If, for example, one wanted to get a group's comments on Indian restaurants (the elements), it would be important that at least the majority of people knew the restaurants being referred to. However, if the group was to produce only constructs rather than a consensus, then the

roles used for eliciting the constructs would be more important than the names of the restaurants. The roles might be; an Indian restaurant which serves clean food; has a good atmosphere, one I would like to go to again; one I would never go to again and so on.

- iv) a comparison of the viewpoints of two people in terms of either;
- (a) degree of agreement between them or
 - (b) the degree to which either can gauge the other's point of view.

In these situations, the agreement between the people will be governed by the mutual understanding of the elements and constructs. The terms for eliciting these components need to be clear. This situation occurs mostly in counselling situations, although the comparative aspect might be applied in research where one is looking for differences in perception on the same topic. One could, for example, examine the views of organic and traditional farmers in terms of how they perceive each others activities. Any gaps found in the "mental maps" would then enable either side to develop a promotional strategy to strengthen their cause with the opposite group.

- iv) an exploration of the sharing of construing within a group and a monitoring of changes in perspective. The constraints on the grid created by these two applications are that one is trying to compare similar constructs and elements between people. This comparison could be a once only comparison, or longitudinal. In either case it would be necessary for either the elements or the constructs or both to be held constant, so that the differentiation is accounted for only through the scaling.

6.19 Choice of elements and constructs

Since the focus of the grid will be determined by the elements, appropriate selection is critical and they need to be as specific as possible. There are two general points (Easterby-Smith, 1981, p10) which are emphasised about element specification. First that they should be homogeneous. They should be drawn from the same category such as; people who have a critical influence on my work, my subordinates, jobs that I might apply for and so forth. It is not advisable to mix categories, for example by including such things as attending meetings, talking on the phone to the categories listed above. If the homogeneity is broken the problem arises when constructs are elicited and scaled, because the constructs may be outside the "range of convenience".

The first group of elements may have generated a construct "honesty / dishonesty" so it would be difficult to develop any relationships between such a construct and elements like attending meetings. The second point is that the element

must be representative coverage of the area to be investigated. A grid on significant people in ones life which did not include spouse or parents would be suspect. Equally the elements must bear some relationship to the domain of the respondents. One can't ask a trainee manager on "chairing meetings" or a research chemist to name five subordinates when as a researcher he may not have any subordinates.

The number of elements in a grid depends on the research. Clinicians involved in counselling (e.g., Kelly) used 15 to 25. Since most of the current applications are analysed with the help of a computer, anything less than around 6 to 9 elements would be too few and for industrial applications anything over a dozen would start to get tiring for the researcher and respondent. The advice from Easterby-Smith (1981,p10) is:

"as few as you can get away with"

In the discussions so far, elements have been perceived in terms of roles, as in subordinates, people who have a critical effect on my job and so on. The respondent thinks of a person who fits the role and proceeds to generate constructs on the basis of his images of the specific person that fits the role. It is actually quite important that the roles be transferred into specific persons otherwise the results of the grid will not mean much. However, the researcher does not need to know the name of the person who fits the role; this is important only to the respondent (Smith and Ashton,1975). What the researcher needs to know is the role which generated the constructs and the constructs themselves.

However, apart from role sheets, there are other ways of generating elements. These are discussed below;

1. Supply elements
 2. Provide role or situation description
 3. Define a pool
 4. Elicit through discussion
-
1. These can be supplied, for example through a list of names, objects and so on.
 2. Alternately one can provide a role sheet or situation descriptions which will enable the respondent to fit the names or activities.
 3. It is also possible to define a pool of elements from which the respondent can choose.
 4. It is possible to elicit the elements through discussion with the respondent.

Once the elements are obtained, the researcher has to move on to the constructs, which will help to describe the elements. There are four main ways in which this can be done.

The procedure followed in this study has been to supply a role sheet for both the grids. The first which attempts to ascertain corporate social responsibility also has provided constructs. The roles supplied for the corporate grid required the respondents to generate names of nine organisations (Appendix 6.D). These names then acted as if they were "brand names" and helped the respondents to scale the elements and constructs on eleven pairs of constructs which had been previously elicited. A number of organisations did appear several times, but of importance to this study is how the roles were construed, rather than the names of organisations per se, although the names did have an importance, elsewhere in the study. With regard to the use of company names, according to Pope (Surrey):

"there is no theoretical reason why the elements of grids should not include inanimate objects or even abstract ideas" (p1)

With regard to elements for the individual social responsibility, the roles were again provided asking the respondents to name nine individuals, taken from the work, home, academic and social life with the objective of providing elements which could be used for eliciting constructs on the subject of social responsibility. (Appendix 6.E). In both cases the number of elements were restricted to nine, based on the general guidelines that any less would affect the variety of information and too many would create fatigue on the part of the researcher and the respondents.

6.20 Generating constructs

1. The quickest way is to supply them. This is a legitimate approach if the constructs are known to be representative, or those the subject may have produced spontaneously and are adequate for understanding their meaning in psychological terms (rather than dictionary terms). This method puts the technique close to the semantic differential technique of Osgood, Suci and Tannenbaum (1975), discussed below in paragraph 6.21.

2. The classic route is to elicit the constructs from triads. This method involves the selection of three elements at a time, from the full list generated by one of the methods listed above. The respondent is then asked to say in what way two of the elements are alike and in what way the third element is different from the other two. This process results in two contrasting poles for the construct, rather

than direct opposites. The problem with asking for opposites rather than for differences is that the respondents are likely to produce logical opposites rather than opposites in meaning. For example, the opposite of "ambitious" is "not ambitious". However, one could construe the opposite of "ambitious" as "will not trample on colleagues".

One does need to take care with the elements; to ensure that all have an equal chance of being selected, otherwise there might be a bias if one element gets selected too frequently. This note of caution from Easterby-Smith (1981) must be viewed in the context of the objectives. The sorting and selecting techniques of the elements varies according to the objectives. One could either have them at random, according to some pre-selected pattern, or holding one element constant, or making two changes each time the triad is completed. It is also possible to use dyads, when the elements or the subject area are very complex, or if one is working with children.

3. It is also possible to generate constructs without the use of verbal labels, through the use of card sorts. The elements are written onto cards and the subject is asked to sort the cards into piles and comment on what the similarities are of each pile, or the reasons for the positions of certain cards. This method has been used in the area of quality control and such things as objects d'art (Op Cit.,p13)

4. The final method is through laddering up or down from the original construct, through such questions as why, what or how. If, for example, a person has extrovert / introvert as a construct to one triad, by asking why the person prefers "extrovert" or "introvert" the respondent might say, because people respect extroverts, and again why they "respect" might elicit "because one is thought to be valuable". It seems that through questions of "why" it is possible to move to higher levels of generalisation with the respondent, to his superordinate constructs, while questions like how and what lead to lower levels of constructs.

6.21 Own versus provided constructs

There is a body of literature which considers the debate on whether to elicit the constructs or to provide them. The elicitation of constructs is the pure approach as this is rooted to personal construct theory, although there is an increasing body of literature based on provided constructs, as the repertory grid gradually separates from the theory.

"Although the impetus for the development of repertory grid came from personal construct theory, repertory grid constitutes a statistical method in its own right and there is no obligation to accept Kelly's underpinning theory"

J.M.M. Mair (1967) adds:

"At present many grids are administered for various purposes in which constructs are supplied by the experimenter or clinician rather than elicited from the subject or patient. This in itself is not necessarily unsatisfactory since no matter what the verbal label given, the construction placed upon it is personal."
(p261).

The construction which is placed upon the label is done so through the scales, which are then subject to mathematical analysis in the "mental map" concept. Other researchers have therefore experimented with provided constructs and compared their meaningfulness with elicited constructs. Adams-Webber (1979) believes that although people prefer to use their own elicited constructs to describe themselves and others, both kinds of dimensions seem functionally similar when grid technique is employed to assess their cognitive systems.

Tripodi and Bieri (1963) used the grid in their research on cognitive complexity and found that both forms of elicited and provided constructs worked. Metcalfe (1974) also examined cognitive complexity and found that although both forms of grid were usable preference should be given to own constructs, because people felt more strongly about them. Another example of research which suggests that own constructs are more meaningful than provided constructs is by Isaacson and Landfield (1965). Both Metcalfe and Isaacson and Landfield used the mathematical analysis of the grid to come to their conclusions. They found that people use the scale in a more extreme way with their own constructs rather than with provided constructs, thereby demonstrating a greater commitment to the constructs.

There seem to be sufficiently eminent voices agreeing with the notion that either own or provided constructs are usable, although if the research is nestled in personal construct theory, then it is much more desirable to remain with the purists approach and elicit constructs. Some people have likened "provided constructs" to the semantic differential technique, mentioned above.

6.22 Semantic Differential

Osgood, Suci and Tannenbaum (1975) explored "meaning" through a series of verbal labels which they positioned on either side of a Likert type scale. Respondents were then able to respond to the meanings of the words through scaling them either to one meaning or the other. The words were conceived in a dichotomous way and the seven point scale provides a basis for comparison with the other "words". Semantic Differential technique developed quite separately to repertory grid, although the development occurred at about the same time. Since the words are provided and the respondent has only to scale the words according to the meaning he attaches to the words, the appearance is close to a grid with provided "constructs" instead of provided "words". One experiment which brushes with both semantic differential and personal construct theory is by Kirby and Gardner (1972) in their work on ethnic stereotypes, using 208 words.

However, the philosophical origins are different and the purposes of the two techniques are not the same. In this study the repertory grid and personal construct theory provide the methodology and framework, although it is acknowledged that one possible future application of the socially responsible constructs could be to test them with the semantic differential technique. Meanwhile, there is another concern with regard to repertory grid technique, which the reliability and validity as a research instrument.

6.23 Reliability or consistency of repertory grid

There are not many voices in personal construct literature against repertory grid. One who did criticise the grid as unreliable was Gathercole (1970) who used the ranking scale to measure two groups who were given the same grid twice. He found that the grid was not reliable. The problem with this criticism is that because personal construct theory is reflexive and argues that people form constructs on the basis of their experience and learning, the constructs are expected to change. Therefore, this particular criticism is weakened by ignoring the theory, which has been criticised (in chapter three) by Holland.

Of greater significance is the consistency of the grid. Bender (1976) tried two tests, one with the respondents and the other with their spouses. The objective was to discover if people who construed others as similar to themselves behaved in a similar fashion towards them. The subjective results of the respondents matched the "objective" results of the spouses, indicating that the repertory grid is a good indicator of behaviour. The question of consistency has been tackled quite rigorously by Slater (1972) who developed the mathematical analyses of grids on behalf of the medical

research council. These are available on computer packages, under the title of the "Grid Analysis Package" at various Universities. A review of the mathematical analysis of the repertory grid has also been presented by Ryle (1975).

Slater suggested that a stable construct system is one where relationships between constructs remain unaffected when one set of elements is replaced by another. According to Slater, as long as there is consistency, then there is a stable construct system, so a need exists for a coefficient to measure consistency. The detailed mathematical exposition is given in the paper mentioned above and in an undated publication from the University of Sussex, by Slater for the M.R.C.

There is sufficient evidence in these papers, and as indicated above in chapter three that personal construct theory and repertory grid may be used for explaining peoples' way of thinking about social responsibility and therefore to move on to predicting their future behaviour on this important issue in management.

As a concluding note to methodology, brief mention is made of the important issues of data collection, learnt from this study and the methods of analysis used in the next four chapters.

6.24 Data collection in developing countries.

The main work of reference on this subject is by Casley and Lury (1981), who cover the problems of large scale quantitative studies. However, this study is based on personal interviews of 106 managers, half of whom have been to the IIMs. Since management education is just 25 years old in India, there is not much in the way of published material evaluating this form of education. Even published data which does exist is difficult to obtain by post and the researcher either needs a personal friend in an institution who can obtain the necessary data or will have to make a personal visit to obtain the information. This is exemplified by the address books of the alumni of the IIMs.

The first group of three was collected by the researcher's supervisor on a trip to the IIM in Ahmedabad. Although the others were requested by mail, there was no response and when the researcher made a personal visit during the pilot study he was able to obtain the others. A similar situation arose at Bangalore where a full list is not available as the alumni association is young, but a (not too out of date) list of phone numbers was made available on the third visit. Since no personal visit was possible to Calcutta, no addresses were forthcoming although a request was made.

Making contact with the selected alumni was affected by the addresses being out of date, the telephone numbers changing, the basic difficulty of getting through the interrogation of petty clerks who eventually inform you that the person you want is out of town or in a meeting. Progress was made by adopting the strategy of making the first visit to make an appointment and drop off the questionnaires and the second visit to conduct the interview. This frustrated the petty clerks but speeded up the process ! The draw back with such a strategy is the extra time required for the first visit. It also imposes a need for geographic concentration, but this latter aspect is not a hardship when interviewing managers as they would tend to work in the cities, which in turn, have business or residential middle-class areas.

The "obvious" route of writing to the alumni for appointments was also attempted during the pilot stage. However, it became apparent that the address books were not completely up-to-date and it would not be possible to arrange meetings by letter before making the visit. All that could be achieved was to request the respondents in good time. A few were courteous enough to respond and keep to the meetings, but a direct approach on the ground was far more successful. These restrictions and some of the issues discussed earlier (6.4) contributed to the decision to restrict the study to four centres.

Although the lack of a well developed infrastructure of a poor country creates problems, once the interviews began, all 106 managers gave their fullest co-operation and without them this research would not have been possible.

6.25 Methods of analysis

There are five main instruments used in this research, all contributing qualitatively to answer a series of questions on one major area of study. The samples are matched for one specific item, this being the level of seniority in their occupations. All other factors are considered to have occurred by chance. The structure of the analysis is based on the suggestions of Miles and Huberman (1984), outlined below and the analytical tools given to the study by the grid analysis package.

It seems that the simplest approach is the most rewarding in the way suggested here:

- * Counting, with frequency analyses of the data.
- * Patterns and themes. Search for these in the counts which are done.
- * Look for plausibility in the patterns and themes.
- * Attempt to cluster the data, see what goes with what, does it make sense ?
- * Making metaphors from the patterns and the clustering, followed by,
- * Splitting the variables into groups.
- * A certain amount of abstraction is called for, therefore the particulars will have to be subsumed into the general.
- * Look for statistical tests, such as factoring and indeed the area of nonparametric statistics (Siegel, 1956)
- * These tests ought to facilitate examination of relations between variables and the search for intervening variables.
- * Finally it is necessary to build a logical chain of evidence and to make conceptual and theoretical coherence.

The guidance on statistical tests which are used in the results chapters are based largely on nonparametric tests, which are a relatively recent development in the social sciences as they allow for tests of significance on small sample sizes. They are concerned mostly with rank order tests. Their relevance to psychology and the choosing of appropriate tests are covered by Guilford (1965) and Cohen and Holliday (1982) respectively.

The analysis of grids is guided completely by the procedures found in the grid analysis package. However the focus of the analysis is based on the following;

- * principal component analysis of the constructs and
- * element distances

Four of the programs from GAP have been used in the analysis, as each has a slightly different function. The most important contribution comes from the program INGRID, which is the analysis of an individual grid. This produces a comprehensive mental map of the respondent. In essence it has been used for eliciting social responsibility constructs. Principle components have then enabled the most important terms used by the respondents to be drawn out. The labels identified through the computer programme were checked with a sample of 13 respondents who had been interviewed in the first "wave" of the study. Only one respondent had a problem with the outcome due to the apparent conflict of one of the parents construed

negatively. In three further cases minor errors were spotted in the way respondents had filled the grid. In all cases the respondents concurred that the computer generated principal component reflected their own constructions of social responsibility.

The verbal labels have then been subject to the simple process of counting suggested by Miles and Huberman (1984) and the patterns and discussions follow in chapter 10.

The other program is SERIES, which takes the elements and constructs as they are aligned and gives average readings for the group. Therefore all the MBAs and all the non-MBAs have been put through SERIES as if they are two groups and the averages obtained. The final print from series results in a consensus matrix for each group and this itself can be treated as a single grid, thereby allowing it to be put through INGRID.

On this basis it is possible to compare the two groups, and to do some simple counts of the names of the elements, the principal components of the constructs of the two groups and to look at the element distances. However, SERIES can only be used when both the elements and constructs are provided. Since the element roles were given for the corporate responsibility grid and the constructs provided, this grid could be analysed by SERIES.

Another program called PREFAN allows analysis by aligning the elements only, so that it is possible to examine the distances between them. It was therefore helpful to consider the data from the individual social responsibility grid, where, once again the roles were given but the constructs were elicited. The final program which has been used is called ADELA, which aligns the constructs, producing a principal component analysis. This can therefore be used when constructs are provided but the elements are free. Since it does not matter about the elements, it has been used for the corporate social responsibility grid. There are other programs but it was felt that they would not add to the information. However, cases have been included as required in order to illustrate the findings.

6.26 Limitations of the study

This study has used a very diverse range of instruments to delve into the social relevance of postgraduate management education. One might suggest that the methods are a surrogate for the ideal method, which would have been some form of elaborate cost benefit analysis; based on calculating the cost of the inputs to management education and comparing these costs to some notional output. However, it is not practical to follow such a course, as demonstrated by two studies, so alternative and novel

approaches were needed.

Another criticism which may be made of the method is that the use of personal construct theory and repertory grid technique may have "over-complicated" the study. It may be accused of using a "sledgehammer to crack a walnut". One might be tempted to suggest that construct theory and the grid, are techniques suited to psychological counselling rather than to large scale research. However it was not possible to decide on this possible limitation without going through the process, therefore the theory and the grid have been extended to new areas and the merits and possible applications are discussed in chapter 11.

Although this researcher is confident that a novel approach has been used to tackle a question which cannot be quantified, the study is also limited by the fact that it cannot be compared readily to other research and the diverse nature of the data collection and analysis can be accused of "accumulative fragmentalism", the very thing which has been rejected by not following the path of cost benefit analysis. In defence of this approach one must point to the fact that respondents have had to make decisions on over 240 items and that is as comprehensive a way of studying a group of people as any positivist research.

References

- Adams-Webber J.R.; Personal Construct Theory. Concepts and Applications. J.Wiley and Sons, Ontario, 1979.
- Bannister D & Fay Fransella.; Inquiring Man. The theory of personal constructs. Penguin, London, 1971.
- Bannister D. & J.M.M. Mair.; The evaluation of personal constructs. Academic Press, 1968.
- Bender M.P.; Does construin people as similar involve similar behaviour towards them ? A subjective and objective replication. British Journal of social psychology, 15, p93-95, 1976.
- Berkowitz L and Lutterman K.G.; The Traditional Socially Responsible Personality. Public Opinion Quarterly - V32, p169-185, Summer 1968.
- Business India.; IIM Alumni Survey, Special Report, July 19-August 1, 1982.
- Casley D.J. & D.A. Lury.; Data collection in developing countries. Clarendon Press, Oxford, 1981.
- Clark P.; Action research and organisational change. Harper and Row, London, 1972.
- Cohen L & M. Holliday.; Statistics for social scientists. An introductory text with computer programs in Basic. Harper and Row, New York, 1982.
- Dayal I.; Postgraduate Programme, A diagnostic Report by the Committee for re-organisation of the IIM-A, phase II, 1972.
- Easterby-Smith M.; The design, analysis and interpretation of repertory grids (p9-29) in Recent Advances in Personal Construct Technology, (Ed.) Mildred L.G.Shaw, Academic Press, London, 1981.
- Economist, The; Science and Technology. The nature of knowledge, p99-104, December 26, 1981.
- Evered R. & M.R. Louis.; Alternative perspectives in the organisational sciences: Inquiry from the inside and inquiry from the outside. Academy of Management Review, Vol 6 No 3, p383-395, 1981.
- Fransella F. & Don Bannister.; A manual for repertory grid technique. Academic Press, 1977.
- Gathercole C.E.; The reliability of repertory grids. Journal of Clinical Psychology, 26, p513-516, 1970.

Ghouse G.; Guidelines on "industries" participation in agriculture and rural development. Financing Agriculture, Vol.IX, No 2, p44-47, India, July-September 1977.

Guilford J.P.; Fundamental statistics in psychology and education. McGraw Hill, London, 1965.

Isaacson G.S. & A.W. Landfield.; Meaningfulness of personal values versus common constructs. Journal of individual psychology, 21, p160-166, 1965.

Kirby D.M. & R.C. Gardner.; Ethnic stereotypes: Norms on 208 words typically used in their assessment. Canadian Journal of Psychology, 26, p104-154, 1972.

Kuhn T.S.; The structure of scientific revolutions. University of Chicago Press, Chicago, 2nd edn., 1970. (first published 1962)

Mair J.M.M.; Some problems in repertory grid measurement. The use of bipolar constructs. British Journal of Psychology. 58, 3 & 4, p261-270, 1967.

Margerison C.; Hand - out notes. Seminar for graduate students. undated.

Metcalfe R.J.A.; Own versus provided constructs in a retest to measure cognitive complexity. Psychological Reports, 16, p1305-1306, 1974

Miles B. Matthew and A. Michael Huberman.; Qualitative Data Analysis. A sourcebook of new methods. Sage Publications, 1984.

Mischel T.; Personal Constructs, Rules and the logic of clinical activity. Psychological Review, Vol 71, No.3, p180-192, 1964.

Osgood CE., George J. Suci & Percy H. Tannenbaum; The measurement of meaning. University of Illinois Press, Urbana, Chicago, USA. Original publication 1959, 9th reprint, 1975.

Pope M.; Practical considerations in the use of Repertory Grid Techniques. Paper presented at "What is the Rep Grid" workshop, Brunel University Management Programme. University of Surrey, undated.

Ryle A.; Frames and Cages. The repertory grid approach to human understanding. University of Sussex Press, 1975.

Schein E.; Career Dynamics. Addison Wesley, 1978.

Schein E.; Career Anchors. An Interview exercise in determining your career options and constraints. W.P. 1148-80, Massachusetts Institute of Technology, March 1982.

Sethi S. Prakash (Ed.); The unstable ground. Corporate Social Policy in adynamic society. J. Wiley and Sons, USA, 1974.

Siegel S.; Nonparametric statistics (for the behavioural sciences), McGraw Hill, New York, 1956.

Slater P.; The measurement of consistency in repertory grids. British Journal of Psychiatry, 121, p45-51, 1972.

Smith M. & David Ashton.; Using repertory grid to evaluate management training. Personnel Review, Vol 4, No.4, Autumn 1975.

Smith M.; Applications and uses of Repertory Grids in Management Education in Advances in Management Education, John Beck and Charles Cox. J. Wiley and Sons, 1980

Tripodi T. & James Bieri.; Cognitive complexity as a function of own and provided constructs. Psychological Reports, 13, p26, 1963.

Vinnicombe S.; Discussion about the use of the questionnaire, where students of the Cranfield School of Management had completed the questionnaire and reported some of the items in the questionnaire as being vague and irrelevant, thereby casting doubt on the whole instrument. Cranfield, 1986.

Chapter Seven

**Results 1; Social Origins,
employment and occupation**

7.0 Introduction

This chapter is concerned with classifying Indian managers according to their social origins, occupations and career orientations, covering the objectives set out in paragraphs 5.3 to 5.6 and comparing MBAs with non-MBAs. The results are set out chronologically, beginning with the parents' education and jobs, then setting out the respondents' education, occupation and the kinds of organisations they work for.

7.1 Parents' education

Table 7.0
Education of Parents
N=53 Fathers and Mothers

	Father				Mother			
	MBA		non MBA		MBA		non MBA	
	N	%	N	%	N	%	N	%
Postgraduate	16	28	18	34	7	14	5	9
First Degree	26	51	15	18	12	23	10	19
Secondary only	10	19	18	34	21	38	26	49
Primary only	1	2	1	2	12	23	11	21
Misc or none	0	0	1	2	1	2	1	2

Combining postgraduate and first degree parents as those possessing higher education and those with secondary, primary and none as a group without higher education, it would appear that there are more MBAs with fathers (42) and mothers (19) from University than their non-MBA fathers (33) and mothers (15). There is a significant difference ($z=5.56$) between the fathers of MBAs and non-MBAs, when combining the sample mean. Although the respondents are matched for job equivalence, the education of the parents and indeed all the other criteria of social origins are treated as if they are random samples.

The difference in significance testing which has been applied to the data below is on the basis of large and small sample sizes, using $N = 30$ as the cut off point. The test for the mean value of the distribution of mothers education is the t-test, the calculated value being 2.35 which at the 90% significance level permits a suggestion that the two sample means are different.

It does appear that more of the MBAs have parents with University education than the non-MBAs. In the Indian context this implies that the MBAs parents are more likely to have had higher paid occupations than the non-MBAs and also that the cross section of MBAs comes from a very

narrow group in India's social class, because with the average age of the respondents being in the mid-thirties, the parents would have had their University education in the 1930s to 1950s when there were fewer opportunities for higher education. According to Whitley (Paragraph 4.1) this form of education provides a higher social and cultural capital as well as a the higher economic wealth.

7.2 Parents' Occupation

The occupations of the parents is explored next. The respondents gave a job description to an open ended question about the occupations of their parents and this has been converted into a five point scale. A sixth category, although not on the scale, is "housewife".

Table 7.1
Occupational Seniority Of Parents

+++++								
	Fathers				Mothers			
	MBA		non-MBA		MBA		non-MBA	
	N	%	N	%	N	%	N	%

Senior posts	9	17	5	9	2	4	0	0
Upper level	36	68	26	49	2	4	3	5
Middle	6	11	16	30	2	4	4	8
Lower Middle	2	4	2	4	0	0	2	4
Lower	0	0	4	8	0	0	0	0
Housewife					47	88	44	83
+++++								

There are 41 fathers of MBAs in the upper level and senior posts while 31 fathers of non MBAs are in similar posts. With a z value of 2.72 this is a significant difference and supports the proposition that the higher education received by the fathers of the MBAs may have contributed to their relatively higher levels of seniority. People in senior posts included Directors of companies, and senior civil servants, at Departmental secretary level. Upper level occupations would be represented by people who were heads of large departments, professionals (such as lawyers), professors and so on. Middle and lower middle were grouped as administrators and owners of small businesses. Lower middle having large numbers of senior clerical posts in post offices, railways and so on. (Appendix 7.A).

Lower groups were made up of clerical, semiskilled and unskilled people. An example is that of a lecturer at the IIM whose father was a motor mechanic in a village. At the middle level, there are more non-MBA fathers (16) than MBA fathers (6), demonstrating a difference in the distribution, where the non-MBA fathers approximates a normal distribution

much more so than the MBA fathers, 85% of whom can be found in the first two categories.

The main comment one can make about mothers is that 88% and 83% for MBAs and non-MBAs are classified as housewives. This occupation has little connection with the level of education they received except that of the 6 mothers of the 53 MBAs who did have formal occupations, all were over the middle level, whereas the 9 of 53 non-MBA mothers, 3 had reached the upper level but the other 6 were middle and below.

The combination of higher levels of education and job seniority of the MBAs parents is an indication of their being in a higher socio-economic class. An attempt was made to collect data on parents' income but this was complicated by the following constraints:

1. Respondents were vague in their recollection of what their fathers did and particularly how much they earned at the time of retirement.
2. The influence of inflation for different time periods which applied to the parents of the respondents created another extraneous factor on already vague data.
3. Many of the respondents just did not have the information.

For these three reasons, the data which was collected has not been analysed, but proved to be unnecessary as the two tables above provide ample support to the suggestion that the MBAs are from the higher income groups in India and from families who have pursued higher education.

A study (1984) conducted at the Cranfield School of Management, also revealed that the students were from families who had parents with higher education and senior posts. Over 50% of the sample (n=96) had parents with University education, with more than half of this group having been to Oxford and Cambridge. The similarity between this study and the main research is that students in higher education seem to be from families where either one or both parents have also received higher education. The findings suggest that parents might encourage and guide their children into higher education and also provide role models which the students follow.

7.3 Early education of respondents

As the MBAs are from the higher socio-economic groups with parents who have had more higher education compared to the parents of non-MBAs how does this affect their academic and job performance? These issues are examined next.

Table 7.2
Type of schools

	MBAs		non MBAs	
	N	%	N	%
Mission schools	23	42	19	36
Private schools	20	37	22	41
State run schools	9	19	8	15
Central govt.	0	0	3	6
Other	1	2	1	2

The classification of the types of schools was obtained through a multiple choice question. In the Indian context private and mission run schools are thought to offer a higher standard of education than the schools run by the state or central government. The main reason is that the student teacher ratios are much more in favour of the students in the private schools than in the state or government run schools. However, there is a danger of over generalising this point, but the advantages of fee paying schools as exemplified by mission and private are accepted in this study, mainly because 79% and 77% of MBAs and non-MBAs respectively went to this form of school, and they would not do so unless there were advantages.

Mission schools are run mainly by christian organisations, with one major hindu mission school in the sample. Private schools were started mainly by the British administration and these have carried on in similar tradition of offering education geared to preparing young people for university education. Both are fee paying in the main, although they may be subsidised by the state to some extent.

There is no significant difference between the two groups. In fact it is relevant to note that there is a strong similarity between the types of schools the MBAs and non-MBAs went to although there was a significant difference between the parents. One could argue that the parents of non-MBAs bear a slightly higher opportunity cost in educating their children, by sending them to the same type of schools as the ones to which the MBAs are sent.

7.4 Higher Education of respondents

Since there do not appear to be any differences between the two groups in terms of the early education, how did they perform later at University ? The next two tables permit an inferred response, as the types of University attended is an indication of academic performance, due to the competitive entry selection process.

Table 7.3
Types of University

+++++				
	MBA		non MBA	
	N	%	N	%

Premier/IIT	8	15	6	11
Metropolitan	30	57	24	45
State/Other	15	28	23	44
+++++				

The definition of premier/IIT is based on the Indian Institute of Science at Bangalore and the Indian Institutes of Technology in various parts of India. These Institutions are the so-called centres of excellence and are very well resourced. They are mostly aligned to Institutions in the USA for their technology and pedagogy, with the result that they are mostly up to date in the curricula, techniques and equipment. They are very competitive Institutions to get into, so those graduates who do get in are perceived as being of high quality.

Metropolitan universities are based in four major cities of India: Delhi, Bombay, Calcutta and Madras, the last three being the oldest in the country. They are thought to be the best and they would be a close second to the IITs in terms of the perceived quality and standards. This comparison is based on the engineering and science subjects, as the IITs do not have subjects such as economics, in which case the universities mentioned here are thought to provide the lead.

State and other universities vary greatly in quality and it is not possible to group them among the institutions with higher standards because they are often under resourced with high student to teacher ratios and in the final analysis of preference given by organisations when they are recruiting graduates, the IIT and metropolitan university graduates get preference.

A total of 38 MBAs have gone through the better institutions compared to 30 non-MBAs, (z value = 2.32 at 96% confidence) reflecting a significant difference between the two groups. This result suggests that IIMs recruit students with a "better" academic track reord. The notion of "better" qualified students is further reinforced by the bias in science and engineering graduates being admitted to the IIMs. This is discussed with the help of table 7.4.

Table 7.4
Choice of subjects at University

+++++					
	IIM B	MBA		non MBA	
	%	N	%	N	%

Science	10	10	19	6	11
Engineering	75	29	54	25	48
Economics {Arts}	{9}	8	15	6	11
Commerce	6	3	6	8	15
Other		3	6	8	15
+++++					
IIM-B data,(1985) is provided for comparison with sample.					
+++++					

The subject areas reported at undergraduate level would reflect the choices made by people in the management field. They do not, for example, include medicine and philosophy and to this extent one can say that 95% of MBAs have either a science/engineering or economics/commerce orientation, compared to 85% for non-MBAs. These four subject areas appear to be the most popular means of entry to management.

The 1985 graduates at the IIM in Bangalore appear to be mostly engineers, reflecting the sharper trend to selection from a narrow group, particularly as the sample of MBAs is based on alumni from 1966 to 1985 and appears to have a slightly wider distribution of subjects at undergraduate level.

If the data is split on the basis of technological (science and engineering) and social science (commerce and economics) there are 39 MBAs with technological degrees compared to 31 non-MBAs whereas there are more non-MBAs (14) with social science degrees than there are MBAs (11). However, with a z value of 1.6 for technologists, one has to accept, that the distributions are similar and there is no significant difference in the choice of subjects between the two groups. Similarly there is no significant difference between the social science groups.

Although the IIMs appear to recruit "better" students, there is clearly an over-emphasis on engineering graduates. Perhaps this group is better able to pass the entry requirements, but that does not mean they would be better managers than graduates of economics, business studies, science, agriculture, history and so on. Indeed the data in table 7.9 indicates a low requirement of technological qualifications on the part of MBAs, as so many are in general management and marketing roles, compared to their matched non-MBA peer group. However, the apparent difference in academic qualifications does not explain how the two groups are matched for equivalence.

7.5 Possible reason for parity of job seniority

Although there appears to have been a difference between the parents, by the time the groups have reached the undergraduate level the differences seem to be diminishing at least in the perceived path to careers, with the small difference in the quality of university attended by the two groups. It will be recalled that the process of matching was deliberate, but unexplained, so the data below is intended to help with the explanation of why the MBAs and non-MBAs might be matched for equivalence of seniority.

Table 7.5
Additional qualifications

	MBAs		non MBAs	
	N	% of 53	N	% of 53
Respondents with higher qualifications	10	19	39	74

There are 10 MBAs in the sample who had some qualification in addition to their MBA, while 39 non-MBAs had taken some postgraduate qualification. These were mostly technological subjects (31) while 8 had taken a management qualification either on a continuing basis or at a university. The 8 people with management qualifications were not classed as MBAs because in this study the definition only includes those people who have their MBA from one of the three IIMs.

The relative parity of higher education may help to explain why the two groups were at equivalent levels of seniority in the organisations. Of the 14 people who did not have additional qualifications, 8 non-MBAs were much older than the MBAs, ranging from approximately 4 years to 20 years difference. Of the remaining 6 people who were paired with the MBAs and were not either older or have additional qualifications, two were people who had graduated in the 1950s and did not need (or have available) management degrees or higher degrees to get to senior posts. Only 4 non-MBAs could therefore be paired with MBAs at equivalent levels of seniority on the basis of merit. These people had risen to equivalent levels of seniority as their MBA counterparts reflecting either their own excellence or a degree of poor performance by the MBAs. In the interviews with the four pairs involved, all were "high performers" with two of them perhaps outstanding in a general sense.

It would seem that senior management posts are obtained primarily through higher education, since only 4 non-MBAs have risen through on-the-job merit. With 74% of non-MBAs having additional qualifications, equivalence of job seniority as a criteria for matching the two groups seems to

have support through a parity in higher education. So, although their parents were different, the non-MBAs have obtained a higher degree of social mobility as they seem to have reached career equivalence with people who started from higher socio-economic groups, at the time of the study.

7.6 Career progression of respondents

What one cannot tell from the data is whether the MBAs are in the fast track in terms of their career progression. For this question, the data collected were year of graduation from first degree rather than the age of the respondent. This approach was felt to be important because one could track progress relative to when they obtained their degree rather than when they were born. This is examined in the table below.

Table 7.6
Year of graduation from first degree

+++++					
		MBAs		non MBAs	
		N	%	N	%

1985 - 1981		6	11	7	13
1980 - 1976		19	35	11	21
1975 - 1971		13	25	12	23
1970 - 1966		11	21	12	23
1965 - 1961		3	6	4	7
1960 & earlier		1	2	7	13

+++++

1985 represents the current year during which time the data was collected and there were 6 MBAs who had recently graduated. The lower end of the scale was defined by the commencement of the MBA programmes in the early 1960s and the entry requirement of a few years experience. 1960 was a convenient year to provide this cut-off. The intervals are arranged around five year periods.

1985 - 1981 group are recent graduates and represent people at the start of their careers. They are in training situations in the main and there is no significant difference in numbers between the two groups with MBAs (6) and non-MBAs (7).

1980 - 1976 group include those people who are between 5 to 10 years into their careers and there does seem to be a difference between the two groups at this stage, with 19 MBAs compared to 11 non-MBAs. The time period which is being referred to perhaps demonstrates some effect of career acceleration as the MBA has become recognised as a degree relevant to industry. It is perhaps this group which is making its way into higher management in the future.

In some countries (e.g., UK and India) where MBA education is just around 30 years old, there are relatively fewer graduates with MBAs than say in the USA where over 50,000 MBAs graduate each year. Therefore it is unlikely that there would be much more than a trickle of MBAs getting into occupations as chief executives in India, unless they are related to the owners of the business.

1975 to 1966 as a period represents two groups, 10 to 15 years and 15 to 20 years into their careers and there is no significant difference as the MBA qualification had not as yet taken root and become a passport to senior posts. Since 75% of the sample also matched for additional qualifications, one is not going to expect major differences with this group. However, it is interesting that with the last two groups, the year of graduation of the non-MBAs represents a much older group. This difference is analysed in the context of variances between the two groups.

If the data is taken as 53 matched pairs;

4 pairs tied for graduation in the SAME year as each other.
29 pairs were made up of MBAs graduating LATER than non-MBAs.

20 pairs were made up of MBAs graduating BEFORE the non-MBAs.

Of the 29 pairs, 19 were between 1 to 10 years apart,
7 between 11 to 20 years and
3 graduated over 21 later than the non-MBAs.

Of the 20 pairs, 11 were up to 3 years apart,
5 were 4 - 6 years apart,
and 4 were 7 - 9 years apart.

There were therefore only 9 differences where the non-MBAs were younger than the MBAs in terms of when they graduated. The main reason for this being that the MBAs were in the public sector and the non-MBAs matched for seniority were in the private sector. In a few cases the non-MBAs were in senior technological posts rather than in general management.

In summary, therefore, the career progression of people 5 - 10 years after graduation seems to demonstrate that MBAs experience some career acceleration, while in the early stages they must expect a period of induction and orientation according to current trends, while those people who are 10 to 15 years into their careers have not accelerated beyond their non-MBA peer group because they are among the pioneers and graduated with the MBA at a time when the first degree was still sufficient to reach senior posts. Indeed, the MBA qualification is still in the process of

establishing credibility in industry. This issue is examined through data on career choices later in this chapter.

The next section covers the occupations of the respondents with a profile of the industries in which they work. This section will help to complete, in a chronological sense, the origins of the MBAs, their current work place and what they do in their jobs.

7.7 Sectors of Employment

The data presented below is based on the alumni of the IIM-A, the sample of MBAs and non-MBAs. The questions on which the following analysis is provided in Appendix 6.A and the 9 categories allowed for in the questionnaire have been reduced to five in the table below.

Table 7.7
Sectors of employment of the alumni and the sample

	Alumni		MBAs		non-MBAs	
	N	%	N	%	N	%
MNCs	105	32	15	28	9	17
PI Indian	176	54	26	49	30	57
PI/MNCs	20	6	2	4	3	6
PS	18	6	7	13	6	11
Government	8	2	0	0	0	0
Total	324	100	53	100	53	100
Not identified	62					
Total	386					

MNC = Multinational Corporation.
PI Indian = Private Industry, Indian.
PI/MNC = Joint ownership, Private Industry Indian and foreign owned multinational
PS = Public Sector, i.e. State Owned.
Government = Departments of the Government of India

The alumni records of the IIM-A show a 92% placement in the private sector including three types of organisation, the foreign owned multinational, the wholly owned private Indian firm and the joint ventures where the Indian firm has adopted a multinational for acquiring technology and market position. Data from a wider survey (Table 1.4) suggests a proportion of 80% placement in the private sectors and efforts were made to achieve this level in the sample. In the event the ratio achieved was 81% to 19%.

There are two main observations from this data. First, it is clear that MNCs have a preference for MBAs to occupy certain types of jobs, as 28% of the MBAs in the sample had matched

non-MBAs in only 17% of the cases. The second observation allows for the stereotype image of MBA placement to be questioned. According to alumni records of IIM-A, 54% of MBAs work in private Indian firms compared to 32% in MNCs. Both of these observations lead to a proposition that there is a greater concentration of MBAs in the Multinationals in relative terms rather than in absolute terms. This means there are more MBAs than non-MBAs in certain types of jobs.

Policy makers feel that placement of MBAs in each of the sectors above has a social relevance or irrelevance. However, this view may be too simple, as demonstrated by the arguments below. Andrew Chetley (1986) has suggested that in view of the economic and social priorities of less developed countries certain types of multinationals and indeed indigenous firms are "irrelevant". These are firms which supply 'luxury' foods and other fast moving consumer goods. This view of irrelevance is also expressed by a number of respondents, both MBAs and non-MBAs, particularly of firms like Glaxo, Colgate and Nestle. One respondent in Bangalore summed up the sentiments as follows:

"Glaxo and Nestle have been involved in supplying milk powders for babies, while Nestle dominates the coffee market to the detriment of local firms and who needs Colgate to make toothpaste, we have our own brands based on local technology and raw materials"

Although policy makers and critics of MNCs have focused on ownership of firms, perhaps the concern should be with their activities. If critics are suggesting that some of the products are irrelevant, then it would not matter whether this was made by an MNC or a local firm, the product would remain irrelevant.

There is a contrary view on the role of multinationals, which is that they are of great benefit to the host country through the transfers of technology, introduction of new products, management development, access to world markets and foreign capital. On the specific issue of management development and employment generally, the beneficial effects of MNC participation is minimal, for the following reasons.

* In absolute terms MNCs employ a very tiny proportion of managers in the country. The largest employers being the public sector enterprises and government. In the sample groups, there were some 3,500 managers in 7 MNCs compared to just over 7,000 managers in the 9 public sector organisations and government agencies. The comparison with regard to total employees is 22,000 and 71,000 respectively.

* The terms of employment in multinationals are so much more attractive, compared to either the private Indian firms or the government services that there is unlikely to be a flow of managers from the multinationals. Indeed the flow is likely to be the other way (as demonstrated by table 1.4).

Private Indian firms are largely those founded by families and have gradually professionalised their management, but the very top of management is still mainly in the control of family. They do make a contribution to the industrial life in India by raising local capital, creating jobs and wealth which stays mainly in India. In terms of the adoption of technology they have been slower in adopting the newer methods, with the odd exception of firms like Tata. Part of the reason for this delay has been the protectionist policy of the country. Although the delays in the adoption of technology creates its own inefficiencies, the latest technology is not always the most appropriate for the needs of the country.

There is another argument on the merits or otherwise of MNCs and local firms, which is that of the movement of foreign exchange. The situation tends to vary from firm to firm, so the following observation is made with a note of caution. It is thought that local firms largely generate foreign exchange, or at least use less of it due to import substitution, while the multinational repatriates a proportion of its profits, in addition to importing raw materials and components.

Placement in the public sector is thought to be more socially responsible as these sectors are financed by the public and engaged in socially relevant industries such as the utilities and labour intensive manufacturing. Such a generous view of the public sector does not make it more socially responsible except in the most superficial of ways. Maruti Udyog, for example, a public sector enterprise manufactures cars in collaboration with Suzuki of Japan. Suzuki have a veto on the selection of indigenous suppliers and this has resulted in the cars being imported in kit form for a considerable time. The vehicle is suitable only as urban private transport. Few jobs have been created, it is a major user of foreign exchange and does not provide transport needs for the masses. Just because an enterprise is in the public sector, it does not become any more socially responsible or relevant than a multinational.

There seems to be a notion in India, among policy makers (Business India, July 5, 1982) that there is a descending order of social relevance and this order is based on ownership. The most socially responsible organisation is thought to be exemplified by the public sector. Next come the local private firms and the least socially relevant firms are thought to be the multinationals. However, the

issue of social relevance is complete only when one considers the attitudes, beliefs and behaviour of the managers and the organisations for which they work. These issues are covered separately in the next chapter. However, if one takes a simple index of the level of economic sacrifice as an indication of social responsibility, it can be suggested that those people who work for the public sectors are the most socially responsible, followed by those working in private Indian firms. Evidence of this "sacrifice" is provided in Table 7.16, which clearly demonstrates the disparity in incomes in the three sectors.

7.8 Activities of firms for which MBAs work

However, before considering the remuneration, the picture about the industries in which the sample work and the kinds of jobs, levels of seniority are discussed.

Table 7.8
Industry activities

+++++						
	IIM-A Alumni		Sample MBAs		Sample non-MBAs	
	N	%	N	%	N	%

PRIMARY						
Agriculture	5	2				
Aid Agencies	6	2	1	2	1	2
SECONDARY						
Aeronautics	3	1	1	2	1	2
Chemicals	17	5	1	2	4	8
Computers	18	6	6	12	9	17
Construction	12	4	1	2	1	2
Industrial Machy	95	30	19	36	18	35
Pharmaceutical	9	3				
Publishing/paper	2	1				
Textile	6	2				
Consumer products	75	23	8	15	4	8
TERTIARY						
Advertising	8	1				
Banking	20	6	8	15	5	9
Consultancy	34	10	4	8	4	8
Trading	4	1	1	2		
Transport	3	1	2	4	1	2
Tourism	3	1				
Civil Service	4	1	2	4	4	8
+++++						

Five activities, in the table above, absorb 75% of the MBAs, with the balance spread across 13 other activities. The five most popular are;

1. The most popular sector is "industrial machinery". Firms which exemplify this sector are involved in, the manufacture of vehicles, machines, industrial paints, plastics, air conditioning, power stations and so on. There are 95 of the 324 (30%) alumni, while 19 (36%) of the sample MBAs were involved in industrial machinery. The number of the alumni in industry is a relevant finding because it helps to question the stereotype image that MBAs work mostly in multinationals. This finding supports the earlier one about the proportions of MBAs in multinationals being larger than the absolute numbers.

2. The second most popular sector is "consumer products" (n=75), exemplified by firms in cosmetics, toiletries, household consumables, and processed foods. Perhaps consumer firms have a more "visible" presence through the media hence the impression that they employ more MBAs than the industrial sector. It is evident that for matching purposes at the given levels of seniority there were insufficient non-MBAs.

3. The third most popular area, albeit a long way down is consultancy, with 34 alumni (10%) and 4 MBA respondents (8%). With the professionalisation of Indian industry, there has been a growth of the consultancy professions, in many cases bringing with it high rewards, status and challenge.

4. The fourth area, Banking (n=20, 6%) was made up of people in Citibank and the Bank of America, both multinationals who prefer to recruit MBAs. Therefore it was possible to pair only 5 MBAs from within the same organisations obtaining the balance of three non-MBAs from other firms. Both of these Banks visit the Business Schools in India to recruit directly into their own training process.

5. The fifth most popular are computer firms with n=18 (6%). These are relatively new to India, with sophisticated technology and rapid growth. They require highly skilled people with technical degrees but do not have to possess the MBA. The sample comprised fewer MBAs (6) than non MBAs (9). However, there is a growth in the recruitment of MBAs into the computer industry since most of the MBAs are engineers and they come with the added benefit of having management education. Although there is a growth in the recruitment of MBAs, some jobs do not require a business degree, as in research and development or customer service and for these jobs the computer firms have recruited non-MBAs, many though possessing other postgraduate qualifications.

7.9 Matching MBAs and non-MBAs; occupations and seniority

The issue of occupations is considered next. There are broadly 10 categories in which the 53 pairs of managers can

be found. Table 7.9 below provides the data for the analysis. There was no data for the alumni so only the data on the respondents is reported here.

Table 7.9
Occupations of respondents

+++++				
	MBAs		non MBAs	
	N	%	N	%

General Management	13	24	7	13
Marketing/Sales	16	30	18	34
Operations/Administration	4	7	1	2
Finance	2	4	5	9
Technical/Consulting	6	12	18	34
Corporate Planning	3	6		
Purchasing	1	2	2	4
Academic	1	2	2	4
Human Res.Development	3	6		
Trainees	4	7		

+++++
RHO value = 0.895
(Spearman rank order correlation coefficient)
+++++

There are nearly twice as many MBAs as non-MBAs in general management (n=13 and 7 respectively). Other areas with more MBAs were Operations, Corporate planning and Human resource development. There were no non-MBAs at a trainee level equivalent to the MBAs. The non-MBAs appear to be in the technical functional fields (n=18) and in marketing and sales. The MBAs are spread across more of the categories than the non-MBAs and the two top areas for them are general management and marketing, while for the equivalent non-MBA the main occupations are marketing and technical.

The "matching" of MBAs and non-MBAs was tested using the Spearman rank order correlation coefficient with a result of 0.895 which is a fairly high degree of correlation, the differences coming from the occupations discussed above.

Matching the MBAs and the non-MBAs in the occupations is a by-product of the process of matching on the basis of job seniority. This latter process is reported next in table 7.10.

Table 7.10
Levels of seniority

	MBAs N	non MBAs N
1. Directors	5	5
2. General Managers	10	9
3. Senior functional managers	5	6
4. Hi/Mid managers & Professionals	15	16
5. Lower managerial & Junior executives	9	13
6. Trainees	9	4

RHO value = 0.94

The RHO value of 0.94, indicates successful matching of the two groups. The only major difference occurs at the lower end where junior executive and trainee MBAs were paired with lower managerial non-MBAs. In the cases where this occurred the respondents were very clear about the matching and agreed with the situation. It was suggested by the respondents that the MBAs were likely to be promoted ahead of the non MBAs. The discrepancy is therefore due more to the job title than the job function being carried out.

It would seem that except at the younger end (trainee) the matched non-MBAs achieved equivalence with the MBAs although they started from a lower socio economic group. Most have achieved this through additional qualifications and may in some groups be just a bit behind in terms of the time elapsed since their first degree. The data above helps to conclude the discussion on where the MBAs are from, where they work and their career attainments.

The reasons for the MBAs and the non-MBAs going to work in the organisations included in the study are considered next. First through the economic model of incomes and benefits and secondly through the framework of Schein's (1978) model of career anchors.

7.10 Earnings and Benefits in kind of the MBAs and Non-MBAs

In India, due to the tax laws, remuneration is made up of a package, which normally includes a basic salary and is then supplemented at management levels with a few or all of the following benefits:

- Housing rent allowance
- Pensions scheme
- Dearness allowance
- Car allowance
- phone allowance
- entertainments allowance
- holiday travel for the family
- scholarships for the children,
- or donations to local schools.
- low interest loans for buying cars, furniture etc.,

The administration of these benefits varies from firm to firm, but the basic effect is to provide a higher net income. In the analysis below, some respondents felt that the benefits were really a part of their basic pay and therefore included these in the pay scales. The data on benefits was obtained through an open ended question.

The data on basic pay was based on the following process. Since the vast majority earn between Rs 2000 and Rs 5000 per month as their basic pay, it was felt much more relevant to try to count those people earning over Rs 5,000 and Rs 10,000 per month. Due to the tax structure the basic pay in the vast majority of cases is not likely to exceed Rs 5,000 per month, the balance coming from the benefits in kind.

From the data collected on this basis, it is possible to draw some simple comparisons between people working in the multinationals, private Indian firms and the public sector.

Table 7.11
Earnings of MBAs and non-MBAs

+++++										
Salary range	MNC + PI MBA		MNC nMBA		P S + GOVT MBA nMBA		PRIVATE MBA			INDIAN nMBA
Benefits	d	e	d	e	d	d	d	e	f	d e
None					1		2			2
100 - 999	2	1			2	5	4			5
1000 - 1999	3	2	4	1	3	2	4			4 1
2000 - 2999	4		1	1	3	1	5	1		6 4
3000 - 3999	2		1		1	1	1			2
4000 - 4999			2	1			1		1	1
5000 - 5999		1		1		1	2	1		1 1
6000 - 6999		1						1		1
7000 - 7999		1		2						1
8000 - 8999								1		
10,000 +		1							1	
	11	7	8	6	10	10	19	4	2	21 8

Mean of salary plus benefits 5055 5214 3500 4820 4603

+++++
d = Rs 2,000 to Rs 5,000.
e = Rs 5,000 to Rs 10,000
f = Rs 10,000 +
nMBA = non MBA
Benefits are value in kind per month.
+++++

Taking the mid points of the range 'D' as Rs 3500, 'E' as 7500 and the value of 'F' as 12,000, the mean values for each group are shown in the table above. The total remuneration, including the benefits in kind is estimated below in Table 7.12.

The managers in the MNCs clearly have a higher remuneration package with around Rs 5055 to 5214 per month. The slightly higher scale for the non-MBAs may be reflected in the fact that there were a few trainees in the group being compared to lower managerial non-MBAs. The next highest group are the MBAs in the private Indian sector at an average of Rs 4820 per month, the non-MBAs earning a fraction less at Rs 4603. This group comprised the MBAs who were accelerating ahead of their peer group and were into their careers by around 10 to 15 years.

The fact that there is no significant difference between MBAs and non-MBAs in their earnings reflects the matching for seniority used in this study. The difference which is

noticeable however is between the three sectors, with people in multinationals earning around 50% more than the people in the public sector and the people in the private sector earning around 35% more than the same public sector group. The differential between the people in the multinationals and the private Indian sectors is smaller, with the former getting around 12% more than people in the private Indian sector.

Benefits in kind

Respondents working in multinationals obtain benefits ranging from Rs 1,000 to Rs 10,000 per month. One person calculated her benefits into the pay structure and valued her benefits at Rs 500 per month. In some situations, benefits in kind cannot be easily justified, so their value is included into the pay structure. This person was married to a successful surgeon and was local to the city in which she worked. She was not therefore entitled to rent allowances, relocation expenses or low interest loans for furniture as these would have been part of the primary income of the husband. The one person obtaining over Rs 10,000 in benefits is a chief executive of a large firm.

Apart from these extremes, the average value of benefits in kind is Rs 3359 per month for those people in multinationals and private Indian firms with a joint venture multinational.

Respondents in private Indian firms get an average of Rs 2816 in benefits per month. Four people did not consider they obtained any benefits. One person, also a chief executive had shares in the company which he has founded and the total value of the benefits and the dividends amounted to over Rs 100,000 (10,000 dollars) per month, a quite extraordinary amount in the Indian context. His figure has been excluded in arriving at the average.

People working in the public sector and the government are given an average of Rs 1763 per month in benefits, with the range not exceeding Rs 5,000 per month except to a person in the Shipping Corporation of India who has to travel considerable amounts. There are seven people getting less than Rs 999 per month. These are mainly the academics and people in the public sector who have allowed for the benefits in their pay structure.

The total remuneration packages, including the benefits in kind are as follows:

Table 7.12
Total pay including the value of benefits in kind

+++++			
Averages of;	MNC + PI MNC	P I	PS + GOVT

Basic salary	5,300	4,700	3,500
Benefits	3,400	2,800	1,800

TOTAL	8,700	7,500	5,300
+++++			

Figures rounded to nearest 100.

+++++

The relative differences between the three sectors increase with the inclusion of the benefits in kind. MNC managers now earn 64% more than the public sector and 16% more than the private Indian managers. The private Indian managers for their part are earning 41% more than the public sector managers.

From the development perspective these increases represent; for the civil servant - an income 24 times the per capita income, the manager in private Indian firms gets 33 times and the manager in a multinational gets 39 times the per capita income in India which is \$ 268 per annum (Lloyds Bank, 1986).

It is clear that the pecuniary attractions of the multinationals and private industries are far greater than those of the public sector or the government. This is clear evidence of why people should want to work in these sectors in preference to the public sectors. However, why do 20% still go and work in the public sector ? After all there are plenty of jobs in the private sector, even if this means that through the slight increase in the supply of managers that the pay and benefits might come down to create a new point of equilibrium.

The logic of economics would surely imply that everyone should be working in the private sector or at least trying to get into it. One possible reason for people avoiding this sector is that they are not driven purely by economic motives, but may have other reasons for making career choices. The Career Anchor concept has been explored for an explanation to this issue.

7.11 Career Anchors of current graduates

The data collected includes the 53 pairs of managers and 25 second year students at the Indian Institute of Management at Bangalore. Schein has asserted that career anchors can only form once a person has obtained and settled into a career (1978). However, it is suggested here that people can actually form aspirations and the process of role playing and observing older role models can actually create career orientations. Children often play out roles and many follow their parents' careers. Expectations are created in the children by the parents during the formative years and through guidance of their education.

These "managerial" models are reinforced during the period in Management Schools through problem solving case studies which require solutions from management perspectives. It is suggested here that the people who are at a Business School have already begun to form the attitudes and perhaps are preparing the skills and perceptions needed to work as managers. The data presented covers the second year students, followed by the alumni interviewed and then compares the results with those of the original study of Schein.

Table 7.13
Career orientations of second year students at the IIM B.

	frequency of single anchors	add dominant from shared anchors	TOTAL
Technical	0	1	1
Managerial	8	4	12
Autonomy	1	2	3
Job Sec	0		0
Geog Sec	0		0
Service	1		1
Identity	2		2
Variety	4	1	5
Entre'	1		1

+++++

Shared Anchors:

There were 8 respondents who had two or more anchors. According to Schein's definition it is not possible to have more than one anchor, although he acknowledges that a person's anchor may change or that a person may be in transition taking on a new anchor while letting go of the old one. In the interviews which followed the administration

of the questionnaire the respondents were asked to name the the one anchor they would not give up in making a career choice, in the words of Schein's definition. It is through this process that the totals of the anchors have been provided above.

A further analysis of the respondents based on the mean values of the scores reinforces the finding, that the strongest anchor or orientation is managerial competence.

Table 7.14
Mean and standard deviation of the scores

+++++				
No. Anchor	Mean	S.D.	S.D.n-1	Rank

1. Tech/Functional	2.84	0.914	0.933	8
2. Managerial	5.08	0.733	0.748	1
3. Autonomy	4.41	0.827	0.844	4
4. Job Security	3.52	1.191	1.216	7
5. Geog. Security	2.67	1.259	1.285	9
6. Serv & Dedication	4.42	0.569	0.581	3
7. Identity	3.88	1.009	1.030	6
8. Variety	4.77	0.710	0.725	2
9. Entr. creativity	4.23	0.963	0.983	5

+++++

The anchor "managerial competence" has a frequency of twelve out of 25 respondents in Table 7.16 and an average score of 5.08 out a possible maximum of 6 based on the 25 respondents. Considered either way it is clear that the second year students at the IIMs construe themselves as managers.

Interestingly, the technical functional anchor has a low score of 2.84 and there was only one person who considered this to be his anchor. The implication is that the students are not seeing themselves as specialists, but rather as generalists. From the point of view of the career choices the majority of students will make, it is likely that the anchor of managerial competence will guide them towards the modern sector in the multinationals and private Indian industries.

There are a few people with different anchors including autonomy, service and dedication to a cause and entrepreneurial creativity. Perhaps these people will make career choices in smaller firms where they can express their choices. The linkage between career choices, industry sectors and certain anchors are considered next. Analysis of anchors (Schein,1983) has normally been through job description in certain sectors, like senior managers in consulting or project managers or alumni who are a given

period into their careers and so forth. The analysis which follows has been approached differently, in that it was felt that people with certain types of anchors may go into certain types of industries, not only certain types of jobs.

7.12 Career Anchors of MBAs and non-MBAs

This assumption was made on the basis that only the multinationals and the private sectors have jobs suited to people with managerial anchors, so that people with different anchors could be expected to go into the public and government organisations. Table 7.18 below sets out the anchors of the MBAs and the non-MBAs in the three sectors used for analysis.

Table 7.15
Career Anchors of MBAs (M) AND Non-MBAs (nM).
Respondents with single anchors

	MNC + PI MNC		PRIV IND		P S + GOVT		TOTALS	
	M	nM	M	nM	M	nM	M	nM
Tech/Func	0	0	1	1	0	1	1	2
Managerial	9	6	6	6	2	2	17	14
Autonomy	1	0	3	1	0	0	4	1
Job Sec	0	1	0	0	0	0	0	1
Geo Sec	1	0	1	2	2	1	4	3
Identity	0	0	0	3	0	1	0	4
Serv & Dedi	0	1	4	1	0	4	4	6
Variety	4	1	3	2	3	2	10	5
Ent Creat	0	2	0	0	0	0	0	2
	15	11	18	16	7	11	40	38

There are approximately the same proportion of respondents in both groups with with single anchors; 40 MBAs and 38 non-MBAs. Respondents with shared anchors have been analysed separately.

Managerial Competence

The anchor with the highest frequency is managerial, with 17 out of 40 MBAs and 14 out of 38 non-MBA having this anchor. Since the study is about managers, this should not be surprising. Closer study of the data reveals that 15 out of the 17 MBAs work either in multinationals or private Indian firms, only two are in the public sector. The respective figures for the non-MBAs are 12 and 2. In the Indian context this is fairly strong indication that people with a managerial anchor tend to work in the multinationals and private industry. Since there were 12 out of 25 second year students with this anchor and there are 17 out of 40 among

the respondents, of whom 15 are in the non-public sector one can conclude that in India, it is likely that people will have role models of a manager which they express through a management qualification and subsequently a job in either a multinational or a private Indian firm. Further analysis of the anchors is based on the type of ownership of the firm.

Multinationals

There were 9 respondents (MBAs) with a managerial anchor and 4 with variety. Two of the latter were trainees and enjoying every new experience being offered to them. None of the MBAs in multinationals had any of the following anchors:

Autonomy, Job Security, Service and dedication or entrepreneurial creativity.

The one person with "geographic security" is a married woman with family commitments in spite of a successful career as a manager. Since she lived and worked in Bombay, this anchor would not be a constraint as Bombay is a highly industrialised city. She did speculate about what her anchor might have been either if she was not married or if she were a man.

The non-MBAs; 6 out of 11 were managerially anchored. There, were two with entrepreneurial creativity; both from families running their own businesses. The one person with service and dedication to a cause is the son of a politician and he was aware of social issues and spent leisure time helping with various voluntary projects.

Private Indian firms

The managerial anchor, is again the most popular (6 out of 18) but the MBAs in private Indian firms are spread out across more of the anchors than their peer group in MNCs. There are four people with service and dedication and three each with variety and autonomy and one each for technical/functional and geographic stability.

There were 4 MBAs with service and dedication to a cause as an anchor. One is running an aid agency in rural development (Pradan), having switched to this from four years in a multinational. He mentioned Ravi Mathai (former Director of IIM A) as a source of inspiration during his MBA programme, and as someone who helped him to make up his own mind in making the career shift. The second person was involved with social work in his private life. He felt his parents, both of whom were teachers were role models for his interest in community work. The two other people who had this anchor had interpreted it as helpfulness in the work place and involvement with family and friends. Therefore only one person had this anchor and related it in the broader context

of a helping profession rather than in the context of his immediate circle of contacts or community. There was one MBA anchored to autonomy and he was working for a consultancy firm.

The non-MBAs also had "managerial" anchor in the main (6 out of 16) but were spread across more of the anchors. The one person with service and dedication as an anchor was the counterpart of the MBA in another aid agency also involved with rural development. The major difference between this group and the others is the presence of three people with identity as an anchor. All three work for organisations with a strong and positive market image, in Madras, as project, sales and export managers.

Public sector and Government

None of the MBAs working for the public sector happen to do so through any strong sense of service and dedication, if Schein's definition of "caring profession" is accepted. There are a few people with two or more anchors, discussed later who do have this strong sense of service, but it is concomitant with a career anchor like managerial competence. Of the 7 MBAs with a strong single anchor, two are "managerial", two have "geographic stability" and three have "variety".

There were 11 non-MBAs in the public sector with single anchors and they were more varied. There were four with service and dedication. Two were professors, the third worked at the Shipping Corporation of India and chose to remain in the public sector because he felt he was contributing something to society. The fourth person, in government had the strongest feeling about service and was proud of what and how he served his country. To draw the analysis together, the data has been summarised into rank order in the table below.

Table 7.16
Rank order - Single anchors of MBAs and non MBAS.

	MBAs	non-MBAs
Technical	6	6.5
Managerial	1	1
Autonomy	5	8.5
Job Sec	7.5	8.5
Geog Sec	4	5
Identity	7.5	4
Service	3	2
Variety	2	3
Entre'	7.5	8.5

RHO value = 0.958

The almost perfect correlation implies that differences which exist have more to do with the respondents as individuals rather than because they are or are not MBAs. However, as demonstrated above there are differences between the three sectors in the frequency of occurrence. There are 43% of MBAs in MNC with managerial anchors, compared to 37% in private Indian firms and only 28% in the public sector.

From the entire sample there is only one person with a strong single anchor being job security, demonstrating the level of confidence in management as a career. The other low frequency anchor is entrepreneurial creativity, both being non-MBAs in multinationals.

The anchor of particular interest is service and dedication. There are just 5 (out of 11) who have interpreted this in the sense of a social responsibility and who have selected their careers based on this belief. Of these 5, only one is an MBA. The other 4 have in large part interpreted this anchor as helpfulness to colleagues, friends and family, i.e. mostly in private life. Two are involved with the community, one is a bit more active with a wider social involvement, the remaining two want to become teachers.

7.13 Shared Career Anchors

The analysis above concerned people with a clear-cut anchor. The table below is concerned with people who initially came out with two or more anchors. These respondents were asked which one anchor they would not give up in making a career choice. The results are tabulated below. However, only those people with service and dedication as one of the anchors are discussed, the rest merely being aggregated into the totals.

Table 7.17

Shared career anchors

Anchors	frequency	Respondents		
	total	working in :-		
MBAs	f	MNC	PI	PS
Service and Variety	4	1	1	2
Managerial and Variety	2		2	
Managerial and entre' creativity	1		1	
Identity and entre' creativity	1	1		
Variety, Identity and geog security	1	1		
Entrepreneurial and variety	1		1	
Entre', Variety, Managerial and geo sec	1		1	
Technical functional and geog security	1	1		
Autonomy and Identity	1			1
	13	4	6	3

Table 7.17 continued
non-MBAs

Entre' creativity and variety	1		1	
Security, Job and geographic	2	1	1	
Tech Functional and service	1		1	
Managerial and variety	2	1	1	
,variety and service	1			1
and service	1	1		
,serv,var and entre'	1		1	
,service and identity	1		1	
Service,autonomy and variety	1		1	
Variety and tech functional	1		1	
and job security	1		1	
Entre',var,geog sec and identity	1		1	
Tech functional and identity	1		1	

	15	3	11	1
+++++				

The process of aggregation and the analysis of the service anchors is set out below.

Service and Variety (n=4)

One of the four works for a MNC and interpreted service as helpfulness to colleagues, sharing knowledge with them training the non-MBA staff in the use of computers and so on. He was anchored to variety, going from project to project and had recently been counselled by his boss, about his role as manager, getting involved in trivialities rather than the general roles. On the subject of service he said;

"It has nothing to do with the wider society for me and in any case what has my job to do with it ?"

The other three people were in senior posts, one in private Indian industry and the others in the public sector. All three claimed great satisfaction from the fact that their organisations and jobs had a wider social impact. One in agrochemicals felt that his job and organisation had made a positive contribution to India's "green revolution". The other person in the Space Research Organisation was involved in the transfer of technology and helping small firms to start up in the high technology fields as ancillary firms to the space programme. The third person felt that his firm, HMT watches being a labour intensive consumer products firm was creating an effective market thereby sustaining a profitable role for the public sector in the consumer markets.

Only the person in government had chosen to work there because he felt he could make a contribution based on his education. He mentioned the impact that Ravi Mathai

(Appendix 10.A) had had on him during his time at the IIM in Ahmedabad. In aggregating the four people, three are anchored on variety and one on service.

The other anchors are not central to this study and are therefore added to the single anchors from table 7.15. The total frequencies for the nine anchors are set out in table 7.18 below the discussion of the shared "service" anchors of non-MBAs.

There are 6 non-MBAs with service and dedication as part of their career anchor. Five of them are in private Indian industry and one in the public sector. Three of the respondents in the private sector have interpreted service as helpfulness to colleagues and family involvement, while the core anchor is managerial competence. One of them is anchored to technical functional as he has started his own consultancy in computer applications in order to retain the technology interest. However, he is very actively involved with social work and helping in the community through the local temple. "Service and dedication" is therefore expressed through his private life, although part of this is expressed in his providing opportunities for young graduates to gain work experience in his fledgeling company. The fifth person works in a consultancy and is rooted to a desire for autonomy, although his service anchor was described as an interest to go into the teaching profession in due course as he "preferred to be of service than to make lots of money", although the choice of academic life was based on the autonomy it provided.

The person in government with shared anchors had several posters on his walls about social responsibility and would be welcome in the private sector should he wish to move. Apart from his intimate knowledge of the workings of government departments, he appeared to be a very capable manager, which was the anchor he shared with service. He too worked for ISRO and felt satisfied that he was able to serve his country so directly. His work as a manager in a government organisation was because of his strong sense of service and dedication to a cause.

Table 7.18
Combining the shared anchors to the single anchors
+++++
Data brought down from Tables 7.18 and 7.20.

	Table			Table		
	7.18	7.20	Total	7.18	7.20	Total
	MBA	add	MBA	non MBA	add	non MBA
	1	2	3	4	5	6
1. Tech/Func	1	1	2	2	3	5
2. Managerial	17	4	21	14	5	19
3. Autonomy	4	1	5	1	1	2
4. Job sec	0	0	0	1	3	4
5. Geo sec	4	1	5	3	0	3
6. Identity	1	0	1	4	0	4
7. Service	4	1	5	6	1	7
8. Variety	10	3	13	5	0	5
9. Entre'	0	1	1	2	2	4
+++++						

7.14 Cross-cultural comparison of anchors

On the basis of the new totals in the table above, one final stage of analysis is provided, by comparing the respondents with the sample from the IIM B second year students and the original panel used by Schein (1978) in developing his model of career anchors. The analysis follows the table below.

Table 7.19
Comparison of respondents, IIM students and alumni of M.I.T.
+++++
% of sample in each category

	MBAs	non-MBAs	2nd Years	Schein's
	n=53	n=53	n=25	n=44
Technical	4	9	4	43
Managerial	40	35	48	18
Autonomy	9	4	12	16
Job Sec	0	8	0	} 9
Geo Sec	9	6	0	
Identity	2	8	4	0
Service	9	13	8	0
Variety	25	9	20	0
Entre'	2	8	4	14
+++++				

The results demonstrate a clear difference between the Indian MBAs and managers in general and the American managers in Schein's study. At the time of the original study, three of the anchors had not emerged (identity,

service and variety). The differences may be due to cultural variations, a time lag between the two studies so that other changes in life-styles may be involved or indeed a combination of both. Except for security (job and geographic) which happen to be similar in both studies (comparing MBAs) all the other anchors are distributed very differently.

"Technical" anchor seems to have been important for the Americans, a sharp contrast to the Indians. Also very different is the managerial anchor which is so dominant for the Indian but of low frequency for the Americans, while the American sample are high on autonomy and entrepreneurial creativity compared to the Indian managers. The pattern of distribution among the various Indian groups, are much closer to each other and all three are markedly different from Schein's sample.

Although all three Indian groups are closely matched, with rho values of 0.95, there is clearly a wider spread of distribution among the non-MBAs, including more with service and dedication and entrepreneurial creativity. The evidence of the second year students suggests that they have already begun to form the anchors and orientations to a management career, or perhaps more accurately, the administration of a large business.

In development terms, one might ask if the career anchors of Indian managers are appropriate to the needs of the country. Should there be more people with service and dedication to a cause and perhaps entrepreneurial creativity? Are the samples dominated by industrial administrators, taking over from the civil service administrators. Perhaps the culture, life-style expectations, rewards and aspirations have merely shifted to a new form of social elite. For example, the data in Appendix 7.A indicates that 33 fathers of MBAs were either in the civil service, Army or Railways compared to 20 fathers of non-MBAs. It was also clear that people with managerial anchors tended towards the multinationals and private Indian firms, whereas the people working in the public sectors had a greater variety of anchors. This finding also indicates a potential mismatch. First, that there are insufficient managers in the public sectors with a "managerial anchor" implying a concomitant lack of skills and secondly the self-fulfilling situation of recruitment into the IIMs where a certain type of person (largely with a managerial anchor) gets onto the MBA programme and prefers to work in multinationals and private Indian firms.

7.15 Conclusions

This chapter has attempted to classify MBAs and non-MBAs according to their social origins, occupations, sectors of employment and career orientations. The findings indicate, quite clearly that the MBAs and to a slightly lower extent the non-MBAs are members of a social elite, thereby concurring with Whitley's (1981) findings of alumni of European Business Schools. Therefore, in the Indian context, there is no doubt that the people receiving postgraduate management education are from the upper income groups.

Once the graduates have received their postgraduate management education, they do seem to experience career acceleration, some 5 to 10 years after their graduation. Most of the MBAs are found in general management careers and those people with general management and marketing jobs are, in the main, in the private sectors, particularly the MNCs. The implication is that there is a mutual attraction to people and private firms for managers with a generalist orientation.

A further distinction was made, of firms classified by ownership; the public sector, private Indian and multinationals. It seemed that the highest pay was provided by the multinationals, followed by the Indian firms and finally the public organisations. On this basis, policy makers have asserted that people who work in the public sector are the most socially responsible as they have to make a "sacrifice". However, this notion is challenged on two counts; first, ownership does not indicate social responsibility as public sector organisations could be involved in activities which might be considered socially irrelevant or indeed irresponsible. Secondly, not all people are motivated by pecuniary considerations, so they might choose to work in the public sectors or government departments for quite different reasons.

The choice of careers was examined through the concept of career anchors and it was found that those in the public sectors did not necessarily have any greater sense of service and dedication than their colleagues in the private sector. Another interesting outcome of this survey was that the Indian managers were found to be much higher on "managerial" orientations than their American counterparts, who scored more highly on "technical" and "entrepreneurial" anchors, suggesting that the Indian managers may be a new "breed" of industrial administrators and if there had not been a private sector they would have gone to work in the civil service as many of their fathers had done. This finding hints at the new economic and social order where the privileges have moved to the private industrial jobs in India from the civil service occupations, with some assistance from postgraduate management education.

One might ask if it matters that the classification has demonstrated that the samples are clearly members of a social elite, when their activities are of greater importance, particularly as they might be contributing to economic development and subsequent social benefits. Further, their high level of education may have contributed to a higher sense of social responsibility and both these factors do not emerge from the data above. Therefore, the remaining chapters address themselves to these issues.

References

Business India.; The Indian Institutes of Management, Cover feature, July 5-18, 1982.

Chetley A.; The Politics of Baby Foods; Successful Challenges to an International Marketing Strategy. Francis Pinter (London), 1986.

Lloyds Bank; India, Economic Report. Lloyds Bank plc, London 1986.

Schein E.; Career Dynamics. Addison-Wesley, 1978

Whitley R. et.al.; Masters of Business ? Tavistock Publications, London and New York, 1981.

Chapter Eight

Results 2; Social Responsibility, Attitudes and Activities

8.0 Introduction

This chapter explores the objectives outlined in paragraphs 5.7 and 5.8. These are the attitudes and activities which originate in the literature on social responsibility but which have been modified to suit the requirements of this study.

8.1 Attitudes of Indian managers on issues of social responsibility.

The raw data below is based on the questionnaire in Appendix 6.C and is followed by the analysis. As already mentioned, the idea for the questionnaire was derived from an attempt to modify the Berkowitz and Lutterman questionnaire (Appendix 2.A), with questions based on Indian requirements, which in turn, were derived from the pilot study. The questions have been set out below, prior to the raw data and analysis.

1. Managers are responsible only to the shareholders of the business rather than to others (e.g. consumers, Unions, employees).
2. Managers and Corporations should put right many of the ills caused by industrialisation.
3. It is the buyer's responsibility to ensure that his/her purchases are up to expectations. (caveat emptor)
4. It is the seller's responsibility to ensure that his/her products meet the buyer's expectations. (caveat venditor)
5. Employees are generally lazy and must be treated with firmness at all times.
6. Integrity and honesty are impossible to uphold in day to day life at work.
7. Managers should locate industries where it is most profitable rather than for social reasons.
8. Managers do not need to be concerned with pollution, because it is a general problem which only government can solve.
9. Managers should give or be given time off to be involved with social concerns.
10. Managers should take special account of disadvantaged groups when hiring or promoting staff, even if this reduces efficiency.

Table 8.0

Social Responsibility attitudes of Indian Managers

% of frequency distribution.

MBA n = 35. Non-MBA n = 49

Strongly Disagree

Strongly Agree

1

2

3

4

5

6

Total Disagree

Total Agree

1. MBA	46	34	11	91	6	3	0	9
non-MBA	41	27	22	90	4	6	0	10
2. MBA	0	11	6	17	20	43	20	83
non-MBA	2	2	4	8	28	37	27	92
3. MBA	34	32	17	83	11	6	0	17
non-MBA	20	17	23	60	10	14	16	40
4. MBA	0	0	6	6	14	37	37	94
non-MBA	0	2	2	4	17	26	53	96
5. MBA	34	40	17	91	9	0	0	9
non-MBA	24	28	28	94	4	0	2	6
6. MBA	40	31	11	82	14	2	2	18
non-MBA	45	35	14	94	4	0	2	6
7. MBA	6	17	20	43	9	37	11	57
non-MBA	6	12	17	35	35	20	10	65
8. MBA	69	22	6	97	0	0	3	3
non-MBA	47	35	16	98	0	0	2	2
9. MBA	3	2	9	23	29	34	14	77
non-MBA	2	2	6	10	18	39	33	90
10. MBA	25	35	14	74	17	3	6	26
non-MBA	25	20	14	59	20	15	6	41

Significant differences between MBAs and non-MBAs were found only on three of the statements; the third, fifth and ninth, tested at 95% confidence limit using the student T-test.

Analysis of the data follows, with the statement to which the interviewees responded. The statements relate to the item number in the table above.

217

1. Managers are responsible only to the shareholders of the business rather than to others (e.g. consumers, Unions, employees).

91% of MBAs and 90% of non-MBAs disagreed with this statement, implying that they felt managers had a wider role to play than just a responsibility to shareholders. This question was based on the assertion of Milton Friedman (paragraph 2.2) that the business of business is to make a profit. He saw managers as custodians of the shareholders wealth and with responsibility to them alone. It was for the shareholders to decide how to spend their profits and other social institutions to distribute social benefits. At least as an ideology, Indian managers, with or without MBAs disagree with Friedman's assertion. There was fairly strong disagreement with this statement, as 46% and 41% of respondents disagreed completely (score 1) and a further 34% and 27% gave scores of 2. In other words 80% of MBAs and 68% of non-MBAs were in strong disagreement.

A very small proportion agreed with the statement, a smaller number perceiving a conflict between what should be the case and what is the case. They felt that the statement was a noble one, easy to agree with but it was probably unlikely to be implemented. The majority did not perceive a conflict suggesting that long term business sense required a wider perspective than the traditional views.

2. Managers and Corporations should put right many of the ills caused by industrialisation.

There was fairly strong agreement from the MBAs that industry should try to correct for the problems it causes (83%), but there was even stronger support for this view from the non-MBAs, with 92% agreeing with the statement. The implication of this view in the Indian context relates mainly to the problem of pollution, although there are a number of other problems, such as urban drift, creation of disparities and so on. The pollution controls are inadequate both in the powers vested in the regulatory bodies and the lack of will by the implementing organisations. This has resulted in very large areas of pollution through acid rain, asbestoses, mercury and other poisons in rivers killing fish stocks and petrol and diesel fumes in the cities. (CSE, 1985) In some cases it has been cheaper for the firm to pay the fines on a daily basis than to install pollution control.

This question elicited comments on the Union Carbide gas leak in Bhopal because the study was conducted soon after the incident. Many respondents did not feel that Union Carbide was at fault but that the technology may have been inappropriate and government regulations inadequate. They also believed that managers in other chemical companies were probably thinking "there but for the grace of god go I".

Although the respondents were in agreement with the statement, only 63% of MBAs and 64% of non-MBAs were in whole hearted support (giving scores of 5 and 6). They felt that one must take a more integrated approach and not place all the responsibility on managers.

3. It is the buyer's responsibility to ensure that his/her purchases are up to expectations. (caveat emptor)

The views are slightly more divergent on this issue of caveat emptor. 83% of MBAs disagree with the statement, compared to 60% of the non-MBAs. The implication being that the MBAs see it as much more the responsibility of the management to ensure that the products and services meet the needs of the market place and maintain a high standard and that buyers need not be wary of the quality or service being offered.

This question must be analysed in the context of the follow up statement which says;

4. It is the seller's responsibility to ensure that his/her products meet the buyer's expectations. (caveat venditor)

There is very strong agreement to this statement from the MBAs, with 94% agreeing that it is the responsibility of the seller to ensure quality. Interestingly, although the non-MBAs were more dispersed in the views about buyers responsibility, more of them feeling that the buyers must beware of what they are buying, they are also strongly in agreement with the statement that sellers must ensure quality (96%).

The difference between the two groups is that MBAs believe the buyers do not need to beware of what they are buying as the basic integrity of the quality must be taken for granted and is the seller's responsibility. The non-MBAs on the other hand believe that responsibility is much more shared, as the buyers cannot rely on the suppliers fully and must in the end be responsible for what they buy. However they do feel, quite strongly, that sellers must ensure quality. The differences between the two groups when both issues are considered together are rather subtle. If product quality is an index of social responsibility, then the MBAs appear to be slightly more socially responsible than the non-MBAs, on this index.

5. Employees are generally lazy and must be treated with firmness at all times.

MBAs disagree with this statement much more strongly than do the non-MBAs. 74% of them have given scores of 1 and 2, compared to the non-MBAs' 52%. There are no MBAs who have given scores of 5 or 6, but 13% of the non-MBAs have done

so. In very general terms there seem to be more non-MBAs who feel that employees are lazy and must be treated with firmness. This attitude would govern the management styles adopted by the managers in their interactions with subordinates. In the Indian context where levels of literacy are much lower, there are stereotype images which exist vis a vis the semi skilled and unskilled workers, which is that they are unproductive. One of the reasons for the difference maybe the teaching at the IIMs, which includes human resources, interpersonal skills and so on, in which case the response may be a reflex action rather than a representation of what actually happens, as exemplified by the two cases below.

Both of the main suppliers of air conditioning equipment, for example (Blue Star and Voltas) had very powerful cooler units in the managers' offices, but in the areas where the clerical staff were sitting, normally open plan, there were few fans and certainly air conditioning was rare. By the time one reached the warehouses and the factory floor the conditions had deteriorated even further.

Notable exceptions were the multinational banks, which were cooled throughout and SPIC, where the whole of the offices were cooled and insulated. A visit was not made to the factory area to determine the working conditions. Although the respondents have indicated a positive attitude in the way they would interact with employees, they have not always created the best working conditions in which the employees can perform.

6. Integrity and honesty are impossible to uphold in day to day life at work.

Conceptually, integrity must be a black or white statement, so the scores should be either a 1 or a 6. However, respondents seem to see a scale of integrity as there was a spread in the level of agreement with this statement. Fewer MBAs (82%) disagreed than non-MBAs (94%) implying that MBAs thought it more difficult to uphold integrity on a day to day basis compared to the non-MBAs. Only 40% of the MBAs disagreed completely with the statement while 45% of the non MBAs disagreed completely. However, these differences are not significant and the implication of this finding is that the Indian managers, with or without MBAs feel that it is difficult to uphold day to day integrity.

Over half the managers are ready to accept the lack of integrity although almost all of them feel that the sellers must be responsible for the quality of the goods and services they offer (question 4 above). Perhaps the non-MBAs were expressing a note of realism in the answer to question 3 above, where 40% agreed with the concept of caveat emptor.

7. Managers should locate industries where it is most profitable rather than for social reasons.

This statement addresses a small part of a major area of economic policy. It will be argued that if industries locate only for reasons of profit, rather than for social reasons, they will seek ways around honouring any social expectations of the government if such decisions impinge on the profits.

MBAs' views on this subject are split almost equally, 43% disagree with the statement while 57% agree with it. On the other hand there are more non-MBAs who agree with the statement (65%) than disagree with it. These differences are not significantly different.

Many industries in India apply for and receive relocation aid if they set up their factories in economically backward areas. The theory is that with the location of these firms in backward areas some local wealth will be created through jobs and activity thereby bringing social benefits. However, if the managers are relocating ONLY for reasons of profit, they are unlikely to take future decisions which are locally beneficial. Three examples will highlight the point.

1. Ponds have established a plant to make clinical thermometers in a backward area near Madras. A product such as this requires skilled staff and tends to capital intensive technology. On both these counts therefore it is not likely to create much local activity or wealth.

2. Another multinational, Suzuki has entered a joint venture to make motor-cycles in a backward area near Bangalore. However almost the entire staff is being transported to the factory, from outside the backward area, as it requires a mix of technical skills. Perhaps the incentive packages are not designed well, in providing economic advantages for a firm to locate in an area without providing skills training.

3. A third company, PSI, was started in 1974 as one of the first indigenous computer manufacturers by some Indian doctoral graduates returning from the USA. They have entered a joint venture with the state government of Orissa to make and assemble IBM compatible computers. On this particular issue they have been offered considerable incentives to locate their factory in Orissa, which is in need of jobs. The directors have located in Orissa for reasons of financing the company's growth and not for social reasons. One of them mentioned in passing that very few of the skills needed were available in Orissa so they would have to relocate some of the staff from Bangalore. Although the linking of social benefits and location incentives is assumed through theories of spill-over and a rather basic assumption that if firms were willing to locate for social

benefits there would be no need for incentives, the argument presented here is that if firms are NOT willing to consider anything but profitability they will find loopholes and ways of avoiding social obligations as these will be seen as a cost.

This question helps to shed light on a major regional policy issue of the location of industry, in that firms which accept relocation assistance for profitability reasons only are unlikely to make future decisions on any other basis. If this is the case the question of local social benefit will not enter into the calculations and no spill-over can be expected into local society. Managers are likely to bring in the skills (labour) from outside the area, the requisite infrastructure and social structure may be established as a kind of island if the company is big enough. Many large companies which have set up in new areas have established "colonies", comprising housing, schools for the children of the staff, shops and so on. These are not really shared with the non employees. Examples in India include TELCO in Jamshedpur, HMT in Ranchi and BHEL in Hardwar, the latter two being public sector organisations.

At first sight one could blame the government for designing inappropriate incentives and regional policies. However, one could also argue that there has been a failure on the part of the educated elite (the managers) to take a broader view in a country where social concerns would create the equity which the planners would like to see alongside the modernisation process. This failure highlights one of the less effective ways of making a firm behave in a socially responsible way, because as Mintzberg (paragraph 2.3) put it; firms which are "Induced" to behave well tend to wait for the inducements to be given and then make the minimum response, perhaps in anticipation of further inducements or economic incentives.

8. Managers do not need to be concerned with pollution, because it is a general problem which only government can solve.

97% of MBAs and 98% of non-MBAs disagree with this statement. It is consistent with their views on the statement about managers and corporations putting right many of the ills caused by industrialisation (No.2 above). It also agrees with the first statement about managers' responsibilities. It would seem that professional managers do see their responsibilities in a much wider role than is attributed to them by the free market economists.

9. Managers should give or be given time off to be involved with social concerns.

More non-MBAs (90%) agree with this statement than MBAs (77%). This difference was due to the few people in the sample who were involved in some projects through the Rotary and Lions clubs and these people were non-MBAs. However although such a large majority agreed with this statement very few people actually acted consistently with it. The responses are also in conflict with the frequency distribution (below) of the number of people involved in social relevance projects and urban poor/rural projects.

10. Managers should take special account of disadvantaged groups when hiring or promoting staff, even if this reduces efficiency.

74% of the MBAs disagree with this statement compared to 59% of the non-MBAs. The implication being that more MBAs are in favour of meritocracy than non-MBAs. This is perhaps not a surprising outcome, since one measure of merit is expressed in terms of academic qualifications and the MBAs are probably amongst the most successful in India. Disadvantaged groups in India comprise people in the so called scheduled castes and scheduled tribes. These people have fallen behind in development because they were discriminated against for several generations. Part of the Constitution and legislation embodies positive discrimination to correct this imbalance. One therefore gets situations where a "normal" student with say 80% in an exam may fail to get admission to a course, because the minimum mark is 85%. However, a scheduled person may be admitted to the same course with 45 or 50%, because the entry requirement is lowered.

At the IIMs, there is a 22% allocation for the scheduled groups and if there are not sufficient applications, it seems that the entry requirement can be dropped for this group in order to make up the quota. According to some of the staff, the problems come at the end of year one, when the students have not been able to pass the exams for which there is only one standard. However, some students are allowed to take three years for the two year programme. This is a separate issue, of positive discrimination, and occurs not only in India but in other institutions where similar policies are applied. It seems that the Harvard Business School has a lower entry requirement for some of the minorities in the USA such as American Indians.

The response to this question and to the location issue in question 7 demonstrates clearly that the attitude held by the managers is oriented to profit maximisation and a society geared to meritocracy. This indicator is revisited

with the help of the data below on the social responsibility of managers and corporations.

The attitudes discussed above illustrate what managers with and without MBAs think should be the situation on day to day social concerns at work. There are no major differences between the groups, but there are some pointers to the way managers consider location issues and recruitment and promotion of disadvantaged groups. Another feature of the findings is the apparent contradiction between positions which suggest on the one hand, that managers are responsible for the outcomes of industrialisation, to a wider group of stakeholders, the quality of their products, good employee relations and allow time for social concerns and on the other hand they would not support industrial location for any reason other than profitability and would not hire or promote on grounds other than merit. The inconsistency between abstractions which appear to be the right answer to give and those which have direct effects on the job appears to be matched by inconsistency between what appears to be right and the actions, which are discussed in the next section in greater detail.

8.2 Socially responsible activities of individuals.

The data below examines the same group from the point of view of their activities, in terms of social responsibility and involvement with society. The table (8.2) has three columns. The first reports on the MBAs during their time at the IIMs, the second, as they are now and the third column concerns non-MBAs as they are now. This data allows for comparison of the MBAs, both over time as a group and with non-MBAs at the present time. Three items (c,d and f in the table below) were included to enable positive responses by the respondents, so as to reduce any feeling of "threat" in the questionnaire, creating a possible loss of respondent.

Table 8.1
Individuals' participation in social activities.
MBA n = 53, non - MBA n = 53

Participation of respondent in :		MBA at PGP	MBA NOW	non-MBA NOW
a	Politics	4	2	2
b	Vote in general elections	20	27	36
c	Sports	29	16	18
d	Cultural events/functions	31	17	25
e	Professional associations	41	21	30
f	Holidays (1 week or more)	30	37	40
g	Give aid to charities	9	23	28
h	Social relevance projects	13	14	13
i	Urban poor/rural projects	4	7	7

MBAs at PGP and MBAs now; the median values indicate a complete change over time with Wilcoxon test, $T=20.5$ and Table value is 8. On the Spearman rank order correlation coefficient, the MBAs at the IIM compared to MBAs now have a low RHO value of 0.54, while the correlation between MBAs now and the non-MBAs is 0.99 or almost perfect correlation. The differences are discussed below

The nine items below are concerned with respondents' interaction with society to differing degrees. The results are discussed in the light of a brief definition of each of the activities. The items are arranged in a hierarchy from "benefits to self" outward to "benefits to others", the latter also implying that there may not be any benefits to the donor in return for his efforts. The first position also implies a culture strong on individualism (Hofstede, 1983). However, the opposite meaning of individualism used by Hofstede is collectivism, in which case society is thought to be interdependent. The meaning in this study to the opposite of the term individualism would be "selflessness". Another pair of definitions might be concern with self at one end of the scale and concern with issues and causes at the other end.

1. Sports

Sports is possibly the one activity which can give, among the items provided the greatest personal benefits, in terms of health and pleasure. In some countries, it can be an extension of the work setting through such pastimes as golf.

Only 16 MBAs and 18 non-MBAs were involved in some form of sport currently. This low involvement may reflect the inadequacy of facilities in India, the high cost of some of the clubs which do have sports facilities, or it may reflect the lack of interest in sport so that the respondents did not make time for it as part of their social life, preferring instead to work or meet with friends and family. The difference between MBAs now and their time at the IIMs is significant, in that there were 29 MBAs who were involved in sport as students, compared to the 16 now. The reasons for this drop are possibly fairly common, such as; living on a campus with facilities close by and with others also interested in sport.

2. Holidays

Holidays involve the family so apart from personal benefit which is possibly equal (or more) than sports, one is providing benefits for the "immediate others" in one's life.

This is an index of time spent with the family and there is a high number in both groups who spend time with their families during a holiday. Although not 100%, some of the

respondents were bachelors and had started their careers recently so they felt the comment was not entirely appropriate. Others who did not respond felt it was too obvious a question (!) in that everyone takes holidays. In fact in the Indian setting, the concept of regular holidays is not widespread, often because people cannot afford it and they take pay in lieu of time off. Another aspect of holidays in India is that people use this to visit "home" and not for touring. However tourism is growing in India as there are more people who can afford to stay in hotels and to travel. The high number of Indian managers who take holidays with the family reflects their spending power, and their willingness to spend leisure time. The much lower number of MBAs who responded to this question in relation to their student days reflects only that they thought it was obvious that they had holidays between terms.

3. Professional Associations

On a scale from egocentric benefits outwards to societal concerns, the next level out is involvement with professional associations. On this item the person would expect some career benefit as well as providing support for the development of the profession to which he or she belongs. In management associations in India support takes the form of conferences and seminars. In the sense of a forum for professionalising management these are important avenues for practising managers. If one accepts that the professionalisation of management is important for a developing country then participation is of benefit, not only to self and immediate colleagues, but also to a wider group.

There were 21 MBAs and 30 non-MBAs who were involved in professional associations. In view of the high number of respondents obtained from the alumni address lists, the relatively low number of MBAs in professional associations is surprising. It is possible that the MBAs do not feel the need to belong to a professional association, because they belong to an elite group and feel secure with their careers and contacts, through the alumni addresses. One might speculate that there are greater links and prestige in belonging to engineering associations than to say management associations, so that non-MBAs may have had greater ties to engineering associations than the MBAs to management associations. It is also possible that MBAs spend less time on leisure activities generally, as seen from the table above and the low involvement in a professional association is one such activity. The term professional association being used in the context of working life yielded lower frequencies for the MBAs. When they interpreted it as associations and clubs during their two years at the IIMs there were nearly 41 out of 53 who were active (almost 77%). The general sense of participating in active

professional groups is clearly much lower for the MBAs now compared to the non-MBAs and even how they were as students.

4. Cultural events / functions

Cultural events and functions may provide some direct personal benefit, in terms of cultural and intellectual development. Patronage of the arts is thought to provide wider benefits by maintaining and helping to develop the culture of a society.

MBAs seem to be less involved culturally through the arts as there are only 17 who were active compared to 25 non-MBAs. Neither figure is very high but more non-MBAs appear to be culturally active. This is an indicator of the use of leisure time and also would suggest that the support for the arts helps in the social development of society. The drop in the numbers of MBAs currently culturally involved is almost 50% when compared to their period at the IIMs. This is a similar situation as with sport, and in view of the higher numbers of non-MBAs involved in cultural events, one cannot argue that it is a lack of facilities or a lack of time for more senior people. The facilities are common for both groups, living in the same four cities and they have been matched for seniority. It might be suggested that MBAs work harder and therefore have less time for art and culture, but having met the sample of MBAs and non-MBAs, one is not inclined to attribute this factor as an explanation for the lower involvement.

5. Politics

Participation in politics and voting are considered to be indexes of concern with society (Appendix 2.A). They are on a much broader plane than any of the items so far discussed. People who subscribe to political solutions to various social problems tend to reject the importance or usefulness of other approaches because they feel that the power to implement policies is governed by politics (Galbraith, 1973). Currently only 2 of each (MBAs and non-MBAs) are involved in politics. One of the MBAs is a chief executive of an advertising company (which he founded) and currently has the advertising account of the Congress Party of India. His agency handled the election campaign for Rajiv Gandhi and approximately 15% of his firm's business comes from government, so he has close commercial and political contacts with a number of senior politicians and civil servants. He feels that firms and managers should stick to business and let politicians get on with solving the social problems through appropriate channels, echoing the views of Friedman (Paragraph 2.2)

The other person is interested in politics at a local level. The non-MBAs were not paired in any way with the two MBAs but their interest also was at a local level in supporting a candidate for the area in which they lived. Comparing MBAs now with their time at the IIMs, it appears that two are now longer involved in politics. The indication however is that there is very low involvement in politics by the managerial groups.

6. Voting in elections

It can be accepted that while not everyone is actively involved politically it is possible to express a view through casting a vote. Since the electoral results can guide the future direction of a country, the use of the franchise is thought to be socially responsible as it demonstrates the person's interest in the future of the country. Further, the involvement of the educated voter in politics may be beneficial to the country in bringing to power those political parties which will work for longer term benefits of the country, rather than, perhaps, being swayed by the short term promises which may be a weakness of the illiterate voter. One could argue of course that the vote is purely a self interest matter as one is seeking to bring in policies which are the most personally beneficial. It is not personal motivation which is at issue, but in terms of position on the scale of personal to wider benefit, it is argued here that interest in politics and exercising the franchise is more remote to self (compared to sport), but less so than the last three items.

27 out of 53 MBAs exercised their right, compared to 36 out of 53 non-MBAs. The proportion seems to be quite high for both groups, although more non-MBAs exercised their franchise. If one allows for the age of some of the MBAs (being younger) there is no real difference between the two groups. It was demonstrated in table 7.6 that many of the MBAs were much younger than their non-MBA counterparts. (20 MBAs voted during their period of study at the IIMs). The implication is that they might have been below the required age of 18 at the previous elections or may have been on the move from home to college, this latter position is not easy to overcome in India. Electoral turn-outs in India have varied between 55 and 63% in recent times (The Economist World Atlas of Elections, 1986) and the response of the sample seems to be close to the national average.

Allowing for the "advantage" of age, for the non-MBAs, more of them appear to have cast their vote compared to MBAs, however one can not be conclusive on this issue as there are a number of external factors which are not accounted for by the data.

On the basis of the two indexes above, one might conclude that the Indian managers are reasonably involved in voting and express their political concerns through the method of voting rather than direct involvement.

7. Giving aid to charity.

This is a personal way in which one can provide some relief to the people who most need it. Unless it is also linked to some tax benefit, giving to charity has no personal benefit, except to satisfy the donor. People give to charity for a variety of reasons; commitment to the cause of the charity, because somebody has asked them, because they get satisfaction, a friend or family person gets the individual involved, perhaps a feeling of guilt or, as in the case of the two women who performed classical dance, they had a skill which had a public value, but they had greater satisfaction in performing their art and had no need for the money as they had successful careers. Disregarding the exceptions, most people probably give to charity as a line of least resistance. This can be summed up by the comments of one respondent.

"Well every so often someone asks you, so you dip into your pocket, see how much you have and give a bit".

Giving to charity is perceived to be further out from personal benefit than any of the items so far.

23 MBAs and 28 non-MBAs give aid to charities, mostly in the form of donations. Most of the respondents said they did so when asked rather than as any regular kind of effort. A few of the respondents said that their wives were involved in local charities through a club or association and the contribution they might have made would have been through their wives. Two of the women (MBAs) were classical dancers and gave performances where the proceeds of the tickets went to charity, one worked in a multinational in Bombay and the other in the public sector organisation in Banagalore. Only 9 MBAs gave anything to charity during their students days, presumably because they were not in a financial position to help or there are no collection mechanisms in Indian universities as one might find elsewhere (e.g. British Universities' Rag weeks).

8. Social relevance projects

These projects might entail local welfare issues, such as cleaning out a water reservoir, provision of books and materials to a local school, classes in hygiene, skills training for the disadvantaged or disabled and so forth. Many of the people are involved in such projects on a part time basis. It requires a degree of understanding of the problems and a concern, but as the majority of respondents

were in industry this type of involvement was one where they could participate, while the next category, discussed below, requires a full time approach.

There is no personal benefit from voluntary activity in these fields and they are seen as part of the transfer of social and economic benefits to poorer sectors from the managerial elite. One might take a cynical view and suggest that individuals may benefit through public recognition for example through a knighthood as in the UK or its equivalent presidential award in India. However, these people are likely to be the exception rather than the rule.

Projects are organised at the IIMs for second year students and this question aimed to find out whether any of the respondents actually followed up the projects in their working lives. It is clear from the 14 MBAs and 13 non-MBAs that very few Indian managers are in any way involved with projects for social benefit. The few who are include a chief executive who is on the board of a school and helps it in various ways. Another is a Director involved in the cleaning up of a local lake, others through their wives or friends support projects through giving up leisure time.

9. Urban / rural projects

These projects are concerned directly with job and wealth creation, alleviation of poverty through direct measures, efforts at land reform, provision of medical, educational and other social welfare programmes on a continuing basis through careful full time effort rather than ad hoc part time services. There were two respondents in this field on a full time basis, one of whom is an MBA. In all seven of each, MBAs and non-MBAs responded positively to this question and their reasons are summarised below;

MBAs:

1. Person who was working in this field
2. Person locating his firm in a backward area, creating employment.
3. Consultant on a project for the planning commission.
4. Person whose work "benefits all segments of society".
5. Director of a company involved in the local community, organising events to provide opportunities for the young, helping professional associations and so on
6. Chief executive of a large firm; creating jobs, local issues and so on.
7. Person involved in social projects in his private life.

The seven non-MBAs who responded positively were:

1. Person working in rural development.
2. Professor at the IIM involved with projects in his

- village and with research in the mining industry.
3. Director involved in his private life in a number of projects, was political as a student, now socially involved, as often as possible.
 4. Person involved through temple and father
 5. There were two people, both involved in projects
 6. through their wives.
 7. Person working for a multinational, involved in her community, providing support whenever it was needed.

In view of the responses, it is evident that most people are concerned more with local society or are using their definitions in fairly broad terms, and few of them could be classified as being deeply involved with urban / rural issues. However, all the respondents did express deep commitment to their "issues" and on the hierarchy of self interest to public interest, they would be rated closer to public than personal interest.

Conclusion

On the hierarchical scale which has been suggested for analysis of the data above, social relevance projects and urban / rural projects are furthest away from personal benefits and closest to "issues" such as social development and may therefore be defined as socially responsible activities. On most of the items, concerning activities, it seems that the non-MBAs were either equal to or greater than the MBAs, suggesting that the non-MBAs might be a more socially responsible group.

The objective of providing a few "non-threatening" items was satisfied, as the respondents remained co-operative. Although the items shed light on a limited range of social concerns, they played an important role in facilitating data collection. Finally, 6 MBAs and 3 non-MBAs reported that they were not now involved in any of the above activities.

The next section is an analysis of the "activities" of the employing organisations. Interestingly, these "activities" are as reported by the respondents and what they believe to be correct about their organisations, so rather than being the actual activities the data is "what the respondents think it is". The data was collected within the spirit of conducting a social audit as suggested in the literature on social responsibility. However, this instrument clearly indicates that a social audit conducted on the basis of a survey would be futile. To carry out a proper social audit, researchers will have to define the range of activities they consider socially responsible and to gather evidence from a multitude of sources, inside and outside the organisation.

This researcher corresponded with the Chairman of Bowater plc after a programme on television which showed a

subsidiary using child labour in making "exotic" oriental carpets. The response from the company was a list of social projects like a local X-Ray unit, field doctors and so forth. To this extent, one would have to agree with the definition of corporate social responsibility by Friedman, which is that firms should stick to doing business, particularly as he uses the caveat that it should be conducted within the rules and norms of society. If, for example one was to conduct a social audit of Bowater, by interviewing staff in UK, it is likely that one would learn about the X-Ray units in villages of India and not the use of child labour, although some might argue that the use of child labour is socially responsible as it provides household income. In a country like India, with high adult unemployment, it is not an arguable stand to (ab)use child labour, particularly for the manufacture of luxury products which can absorb the additional costs of using adults rather than children.*

8.3 Socially responsible activities of organisations as perceived by individuals

The data below represent the perceptions which the respondents have of their organisations, in terms of policies and activities which might be thought of as socially responsible. Some of the items are those found in literature on social audits, reviewed in chapter two above. Items, such as the foreign technical collaboration, marketing in rural areas were suggested by respondents during the pilot study as indicators of socially responsible behaviour. These are defined, described and analysed below.

* Note:

The children making carpets were aged from 6 to 12, worked all day in poor working conditions. This resulted in developing poor eyesight, lung diseases due to carpet fibres, back problems, piles, worn fingers and loss of education. The children were paid Rs 2.00 per fourteen hour day (i.e. 10 pence). The loss of dexterity at around their 12th year meant they lost the only job they knew how to do and were essentially "spent". The carpets retail at shops like Harrods at over £1,500 each.

Table 8.2
 Social policies and activities of employing organisations
 MBA n = 53, non-MBA n = 53
 ++++++ as perceived by MBAs non-MBAs
 Activities / Policies

a)	Housing for non-management staff	12	13
b)	Education / Training for dependents of all employees	10	9
c)	Factories etc., in backward areas	27	19
d)	Foreign technical collaboration	33	33
e)	Aid employees to start ancillaries	8	4
f)	In backward areas, employ locals	25	19
g)	Aid charitable foundations not started by the organisation	16	11
h)	Market its products in rural areas	18	17
i)	Is largely capital intensive	19	25
j)	Is largely labour intensive	23	21
k)	Other	1	4

+++++
 RHO = 0.90
 There is no significant difference between the way MBAs and non- MBAs perceive the items above. This may be due to the fact that the MBAs and non-MBAs were matched for seniority and most of the respondents were also in the same organisations.
 +++++

As there is no significant difference between the two groups, the items have been aggregated for both groups, so that the view presented in the analysis is that of Indian managers and the analysis is arranged with items with the highest frequency to the lowest frequency from the total of 106 managers.

d) Foreign technical collaboration (n = 66)

A very large number of respondents believed that their organisations were importing technology from rich countries. There are two aspects to the import of technology. People who think it is a good thing point to the need for the modernisation of the country by bringing in the latest processes, manufacturing capacities and so on. On the basis of such technology the products are thought to improve and some can be exported in order to generate foreign exchange. On the negative side, the arguments in India are that the import of technology is not allowing for local research and development, with the result that numbers of technical graduates remain underutilised. A second argument is that

few of the imported technologies actually contribute to the mass of population which lives in rural areas. Whether or not one feels that the import of technology is desirable, clearly many firms in the sample do bring it in.

The significance of this situation may be construed in the context of managers' attitudes to social responsibility, in that the level of sophistication of imported or indigenously developed technology may be more "appropriately" selected to be socially relevant by someone who is concerned with development than by someone who is not.

c) Factories in backward areas (n = 46)

There are few organisations in the sample with factories in backward areas. The implication is that all the factories which have set up in these areas have taken the incentive packages made available to them. Since most of the respondents were working for large organisations, some considerable employment may have been created in those areas. However, in view of the level of imported technology, one may wonder about the value of setting up factories in backward areas, particularly as skills may be in short supply. This point has been covered in paragraph 8.1, item 7. The issue of local employment is discussed next.

b) In backward areas, employ locals (n = 44)

It seems that most of the respondents who believe that their organisations have factories in backward areas also believe that they create employment for local people in those areas. This point is important in the context of trickle-down theories and the creation of local jobs and wealth. It is thought that industrial growth in a centre will lead to the creation of local economic activity and consequent social benefits for the people of the region. However, the demands from industry are thought to absorb more of the local resources than provide equivalent benefits, through the "back wash" effect. (Ramachandran, 1986, p13).

i and j) Is largely capital intensive (n = 44) and
Is largely labour intensive (n = 44)

In aggregate terms, it would seem that the respondents are equally split between the two types of organisations, or that many of them cannot make up their minds on which type of investment has been made. This data adds to the contradictions which have emerged in the findings above, in the sense that firms locating in backward areas should largely employ labour intensive technologies if they are to provide any local benefit. Factories which are capital intensive and located in high unemployment areas are unlikely to provide much in the way of social benefits.

h) Market its products in rural areas (n = 35)

This issue is important in a developing country where the majority of the population is poor and lives in rural areas. Products which can be marketed in rural areas are therefore of low price and help to create some flows of income through retailers and distributors. An example of such a product is edible oil, marketed by Hindustan Lever, which meets both the criteria of good business and social relevance.

A further implication of products being marketed in rural areas is that they are largely products which are relevant and not "luxury products" meant only to satisfy a small number of people in society. However, one must view this index with a degree of caution, as the items under this heading could cover an infinite number of products, some of which may not be socially relevant.

g) Aid charitable foundations not started by the organisation. (n = 27)

An important indicator of the degree of helpfulness of the organisation. In India, many firms establish charitable foundations largely to facilitate the education of their managers' children, build guest houses and meet public relations requirements. A major example of a large company which has sponsored temples, schools and other institutions is Birla, one of the top two private organisations in India. A respondent working for Birlas actually made a comment under a separate heading (k), that the organisation was "not socially responsible", although it did all the things with charities and so on. His criticism was made for the following reasons;

- * Subsidiaries pollute the environment
- * Poor employee relations
- * The very top positions are reserved for family members, although Birla companies are quoted on the Stock Exchange .
- * Poor quality control, low product innovation.
- * Abuse of political power to maintain monopoly

On balance, although the company appears to have a "charitable" arm to its operations through all the various activities it sponsors, it has created an image of low social responsibility because of the way it conducts its business. Perhaps, with this company in mind, one is inclined to accept the definition of social responsibility offered by Friedman, which was for a manager to focus on making a profit "within the norms and rules of society".

a) Housing for non-management staff (n = 25)

Policies in the area of housing help to contrast the treatment of managers and the non-management workforce. Most private sector organisations, especially the multinational banks provide accommodation in the best suburbs of the Indian cities, for the managers. However, there is no provision at all for the clerical staff. The disparity is created by their need to employ highly qualified people who may not be indigenous to the city, whereas clerical staff are recruited on a local basis only.

Although the banks are an extreme example, almost all the managers, regardless of where they worked, or their geographic origins were given housing allowances, including entertainment, furniture and other benefits as well. However, it is evident from the number of responses to this question that very few organisations provide facilities for their workers. Most of the ones that do are in the public sector or government departments and are obliged to provide housing or a house rent allowance as part of the remuneration package.

b) Education / training for dependents of all employees (n=19)

Among the benefits provided to managers by many organisations are facilities for the managers' children. The "better" schools are often expensive and difficult to get into, therefore some organisations arrange for subsidies through trusts or funds. These benefits to managers are ways for organisations to increase the remuneration package without subjecting the recipient to higher rates of income tax. However, they are clearly a mechanism whereby disparities are increased between management and workers, so that the few organisations who do apparently provide education and training for dependents of all employees are demonstrating a greater sense of equity. The help to all employees can be given in one of the following ways;

- * a school established within convenient distance of the workers.
- * allowances for books and other materials to employees with children, maybe adhoc or annual.
- * assistance to schools to expand or improve facilities.
- * vocational training for spouses and children.
- * community projects, health and hygiene education.

e) Aid employees to start ancillaries (n = 12)

The low number of responses reflects both the fact that there are few who leave an organisation to set up a small business and few organisation who actively encourage ancillarisation by employees.

The few who did respond positively were in computer firms, where one of the skilled staff left to start a computer software company and supplied some products and services to the previous employer. In this case, the help was delivered through providing a market. The importance of helping with ancillarisation is that as a large organisation is established in an area, small firms can come up in the vicinity thereby creating jobs, often for local people. Many of the larger public sector organisations have purchasing policies whereby certain quotas are set aside for procurement from small firms. They also establish lists of items and priorities for purchases from local firms. However, the "spin-out" in the sense of an employee going off on his own has not taken root as yet.

k) The few people who added comments were working in development or academic institutions and found that many of the items were out of the range of activities of their organisations, although their work was directly related to the creation of jobs and equity.

8.4 Conclusion

Although the data above has been treated as perceptions of the managers rather than as actual behaviour of organisations, the significance is that the managers believe these activities to be what their organisations actually do. Many of them perceive their organisations to be contributing to social development through the location of factories in backward areas and by creating local jobs. However, they are not, in the main, helping to close the gaps between the managers and the workers because it would seem that many organisations are not helping with accommodation, and education for all the staff, but only for the managerial class. These exemplify self interest, while the issue of location and job creation have been covered in the section on attitudes (8.1) above.

There is little general evidence to support the view that either MBAs or non-MBAs hold attitudes, carry out activities or work for organisations which aid social development. The organisations and individuals who do are few. The section above permits a statement on the managers' activity or lack of it, but to be helpful, the research ought to discover what the managers believe, so that the gaps in definition and the reasons for the attitudes and activities discussed above can be accounted for. It is the explanation of the attitudes and behaviour analysed above that the next two chapters deal with, through repertory grid technique.

References

(CSE) Centre for Science and Environment.; The State of India's Environment, 1984-85. The Second Citizen's Report. Published by Ravi Chopra for the Centre for Science and Environment, 807 Vishal Bhavan, 95 Nehru Place, New Delhi 110019.

Economist The.; World Atlas of Elections. Voting Patterns in 39 Democracies. The Economist Publications, 40 Duke Street, London W1, 1986.

Galbraith J.K.; Power and the useful economist. The American Economic Review, p1-11, Vol.63 No.1, March 1973.

Hofsteede G.; Culture and management development, Discussion Paper, MAN DEV/ 28, International Labour Organisation, Geneva, 1983.

Ramachandran K.R.; Appropriateness of incentives for small scale enterprise location in less developed areas. Ph.D Thesis, Cranfield School of Management, 1986.

Chapter Nine

Results 3; Repertory Grid Corporate Social Responsibility

key to constructs and elements.

Constructs in sections 9.1 to 9.4

(negative sign)		(positive sign)	
1.	Professionally managed	/	Not professionally managed
2.	Good working conditions	/	Bad working conditions
3.	High profit motive	/	Low profit motive
4.	Labour intensive	/	Capital intensive
5.	High technology	/	Low technology
6.	Transfer of technology to India	/	Indigenous technology
7.	Benefits to India	/	Benefits out of India
8.	Benefits widespread	/	Benefits limited in society
9.	Readiness to change	/	Resistance to change
10.	Not owner managed	/	Owner managed
11.	High power over market	/	Low power over market

key to elements in sections 9.1 to 9.4

1. The company I currently work for
2. An organisation I would next most like to work for
3. An organisation I would never like to work for
4. A successful organisation, by your own criteria
5. An unsuccessful organisation by your own criteria
6. An Indian organisation which makes a positive impact on the development of the country
7. An Indian organisation which makes a negative impact on the development of the country
8. A multinational company or organisation which makes a positive impact on the development of the country
9. A multinational company or organisation which makes a negative impact on the development of the country.

9.0 Introduction

In the previous chapter, the attitudes and activities of MBAs and non-MBAs appeared to be similar, and since most of them worked for similar organisations, the aggregated data demonstrated more similarities than differences. Further, the attitudes and activities, here collectively defined as behaviour, did not appear to be conducive to social development. This chapter, therefore explores the way that MBAs and non-MBAs construe social responsibility in order to try and explain the behaviour investigated in the previous data, with a focus on corporate social responsibility. The issue of individual social responsibility is explored in the next chapter.

The exploration in this chapter is conducted with the help of the grid analysis package (GAP) mentioned briefly in chapter six. The framework for analysis is provided by personal construct theory, also defined earlier, in chapter three. The analysis consists of three main parts, organised around the way the results are available from GAP. First, the ADELA programme, followed by SERIES (Paragraph 6.23).

9.1 Grid analysis package - Adela Program.

This program is used for analysing grids aligned by constructs. In other words it treats the sample as a single group and calculates the underlying trends of the constructs. Therefore the output is essentially a principal component analysis of the constructs used by the sample group as a whole, whereas the elements are individual and represented separately. There are basically three questions which are answered by the principal component analysis.

- * Are there any significant trends and how big are they
- * Can the trends be named
- * Can the results be displayed

The Adela program pulls out the trends for the constructs and because, in this grid, the constructs were provided, it is relatively easy to name the trends and discuss the results with the help of "mental maps" which chart the angular distances between constructs.

The analyses which follow compare MBAs with the matched sample of non-MBAs.

Table 9.0
Principal Component Analysis (PC):
+++++

MBAs	% variation	Construct Number	description
PC 1	30.45%	+1	Not Professionally managed
PC 2	16.19%	-4	Labour Intensive
PC 3	12.16%	+10	Owner Managed
<hr/>			
	59 %		
	=====		
non MBAs			
PC 1	36.19%	+2	Bad working conditions
PC 2	15.32%	+7	Benefits go out of India
PC 3	10.45%	+10	Owner Managed
<hr/>			
	62 %		
	=====		

+++++

The constructs which have combined to form the principal components conform to the stereotype view of Indian business. The family owned businesses are perceived as providing poor working conditions and of being of no particular benefit to India. The interpretation of these constructs is that the non-MBAs perceive family owned business to be somewhat exploitative.

The MBAs appear to articulate this view in a slightly different way, as the businesses are seen to be: "owner managed" and "labour intensive" but not "professionally managed". Perhaps the MBAs do not think it possible for them to reach top management due to family control. The clustering of these three constructs as the "bad" constructs, in other words suggesting that owner managed firms are not professionally managed and tend to labour intensity, means that according to the dichotomy corollary, the "good" constructs would be professional management with capital intensity and non owner managed enterprises. In the Indian context, if employment is desirable as a social objective then one must question the preference for capital intensity as a "positive construct" among the MBAs. The slight variation in the articulation of "good" and "bad" may also be interpreted in the following ways;

1. the MBAs are perhaps concerned with promotion prospects in organisation which are owner managed as this is part of their "construct system". Perhaps this is not unexpected as

the MBA qualification is oriented towards professional managers expected to play a leading role in industry.

2. On the other hand it is interesting that the non-MBAs have the construct ; "benefits out of India" / "benefits to India"

Since both groups had the opportunity to scale the same eleven constructs, it is interesting that there is a difference between the two groups, albeit a rather subtle one. This difference appears to be that the MBAs' preference for modern industry is expressed alongside career progression concerns, whereas the non-MBAs' preference for modern industry was driven by a concern for benefits to India rather than effects on their careers.

A note on the significance of the differences must be made at this point. The total values of the principal components are 59% MBAs and 62% non-MBAs. The implication is that around 60% of the thoughts which the respondents had, collectively, on the subject of corporate social responsibility are explained by the constructs in table 9.0. By inference therefore, 40% of their thoughts have not been expressed and this may be due to supplying the constructs on the research instrument rather than eliciting them. However, 60% is not a low figure and one can say that both groups have approximately the same level of cognitive appreciation of the provided constructs. Furthermore, the MBAs have selected to develop the theme of modernisation around career orientation whereas the non-MBAs have clustered this construct with benefits (or not) to the country. The issue of the variations between the two groups is explored next.

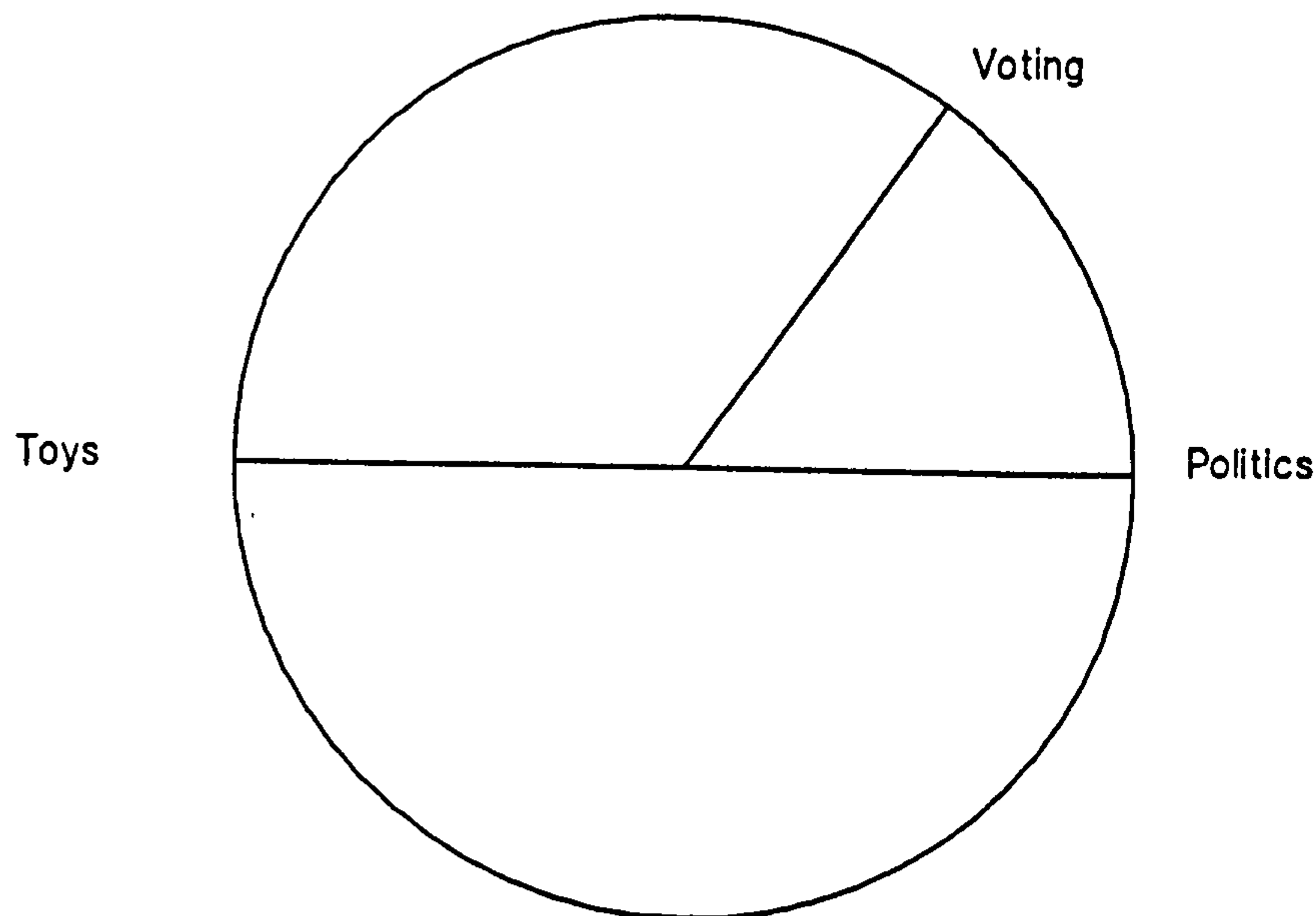
Table 9.1
Accumulated variation and rank order (r)

CONSTRUCT	MBAs	(r1)	non - MBAs	(r2)
pro. mgmt	814.0	2	963.778	1
work.conds.	666.0	10	787.111	5
profit motive	773.111	3	849.111	3
lab/cap tech.	589.556	11	691.556	10
Hi/lo tech.	685.333	6	758.889	7
Tf/Ind.tech.	679.556	7	827.333	4
bnfts.to India	736.444	5	656.444	11
bnfts.to society	742.444	4	739.778	8
change	677.556	8	786.0	6
ownership	1002.444	1	891.556	2
power on mkt	674.222	9	738.889	9
TOTAL VARIATION	8040.667		8690.44	

RHO = 0.63

The use made of the five point scale by the respondents is a measure of the diversity or uniformity in describing their perceptions. The greater the variation the higher the variety of views held by the respondents to given constructs. It can be observed from the figures in Table 9.1 above that overall the non-MBAs varied more in their views than did MBAs. The correlation test between the two groups is 0.63, a fairly modest correlation, when compared to some of the earlier data in chapter seven, implying that only a few of the constructs are correlated. These are; constructs 1, 10 and 3. In other words the other eight constructs are correlated at a very low level or not at all. The degree of correlation can be examined further in terms of angular distances, which provide mental maps of the constructs. Since angles can be averaged, where correlations cannot, it is convenient to think in terms of mental maps rather than in terms of correlation coefficients.

The concept of angular distances provide an elegant display of a mental map. If, for example, one attempts to describe the proximity or distance of one thought from another - say politics with voting or politics with a description of a child's toy, one would expect the former pair to be closer together than the latter pair. This proximity and distance notion is illustrated below;



The measure of angular distances is interpreted as follows:

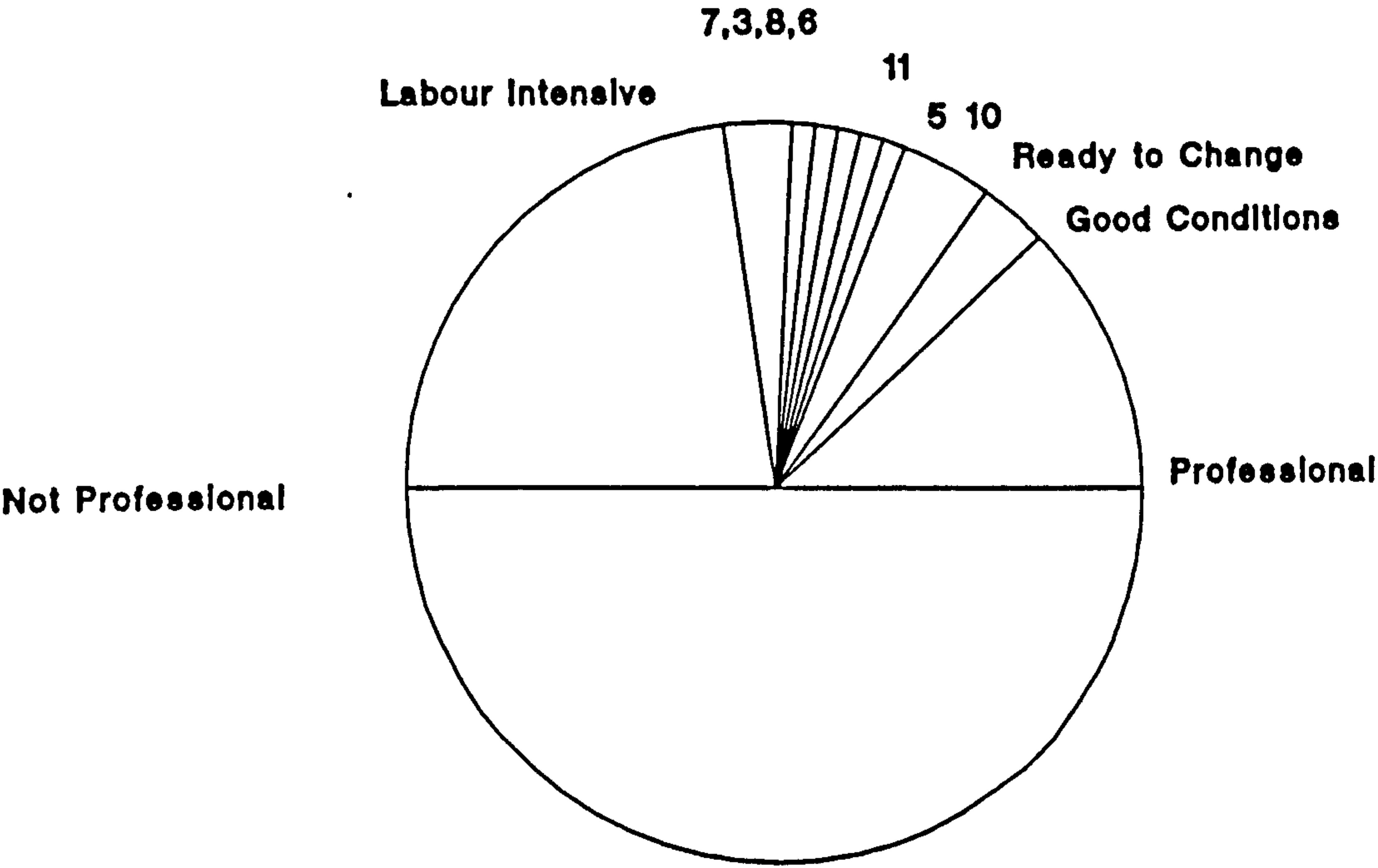
For the correlations between constructs, the variances are normalised, thus geometrically, all the constructs are assigned locations an equal distance from the origin and differ only in being placed at different angles away from it. They lie on the surface of a hypersphere and the difference between any two of them can be expressed as an angular or circumferential distance: the angle they subtend at the centre.

An angle of 0 degrees corresponds to a correlation of +1, implying that the constructs are located at the same point on the hypersphere. An angle of 90 degrees corresponds to a correlation of 0.0 which implies that the constructs are independent of each other, while a 180 degree angle between constructs is a correlation of -1 and implies that the constructs are diametrically opposite one another: one provides the same scale as the other, but in reverse. The usefulness of angular distances is that they can be averaged and thereby permit comparison between grids. (GAP,1981).

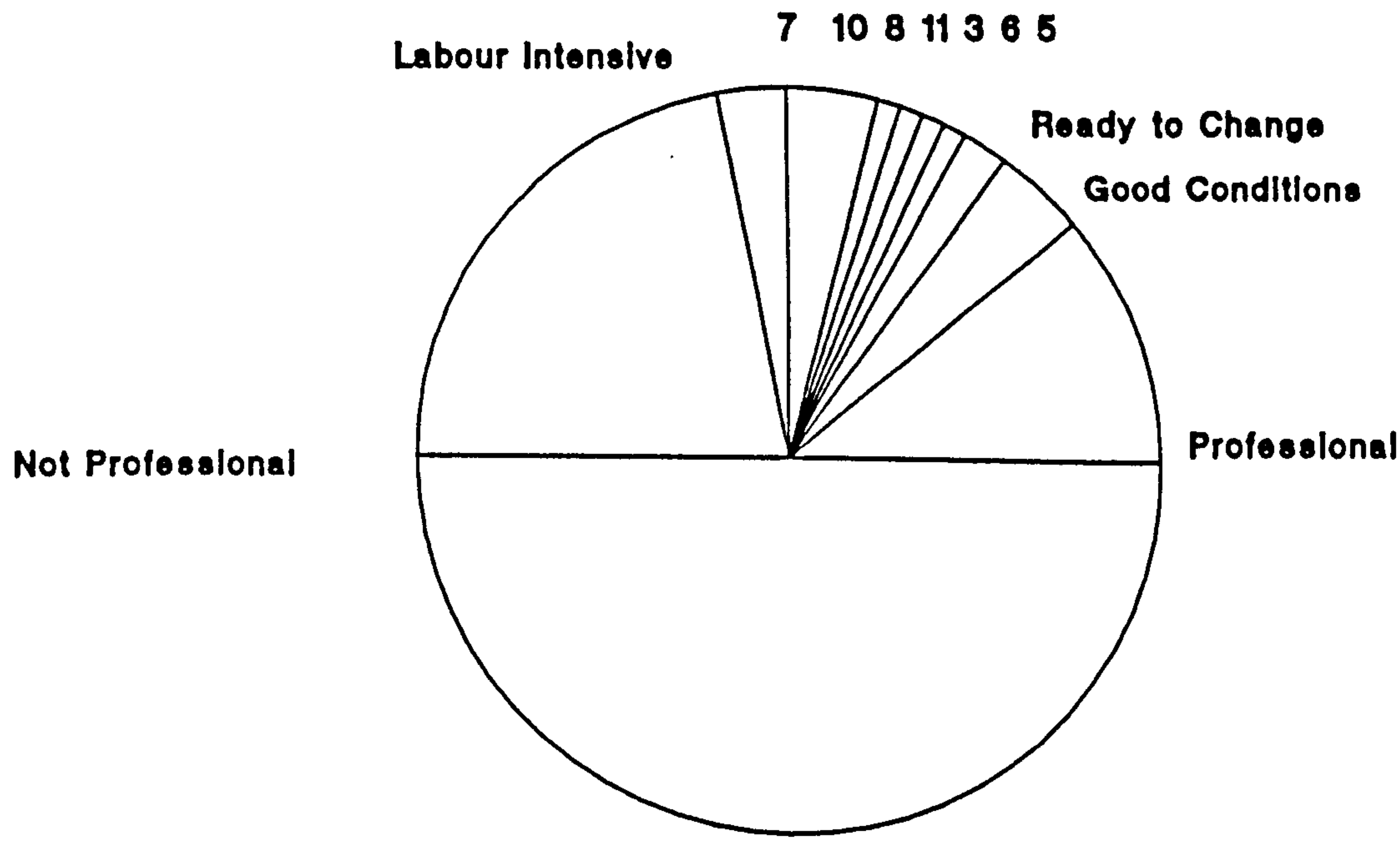
The eleven constructs having been scored from 1 to 5 also provide distances from each other and one is able to take a closer look at the outcomes. Since the data are in angles, one can plot the distance of one construct from the others, as demonstrated in the figures below, the data for which are in appendix 9.A. The discussion which follows is based on examination of this "mental map" concept using three of the constructs as reference points from which the angular distances from the other constructs are measured. The first of these is a comparison between the MBAs and non-MBAs taking Professionally managed and Not professionally managed as the principal component on the X axis. (Fig. 9.0) The next two are based on distances from "benefits to India / benefits out of India" and "benefits widespread / benefits limited in society", being figures 9.1 and 9.2 respectively.

Figure 9.0
Mental map of angular distances of other constructs from
Construct 1 (Professionally managed/ Not Professionally
managed).

MBAs



non-MBAs



If the "maps" are viewed in quadrants and hemispheres, the figure allows the following interpretation;

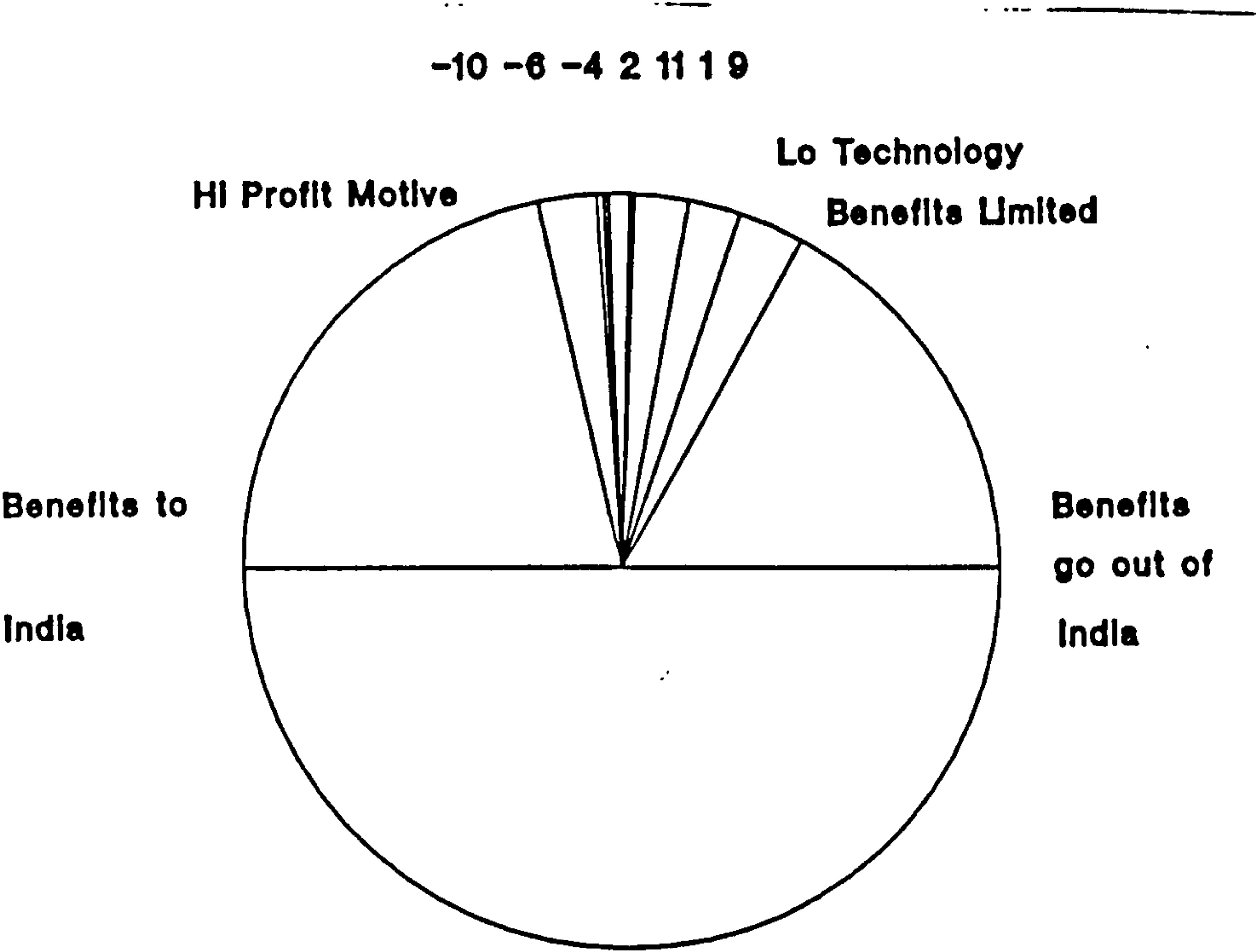
all the 'negative' constructs have accumulated in the same quadrant, relative to the selected component. The three closest constructs (rank order) in both groups are:

Not Professionally managed,	the Y axis,	
Bad working conditions	39 (MBA)	44 (non-MBA)
and Resistance to change	53 (MBA)	53 (non-MBA)

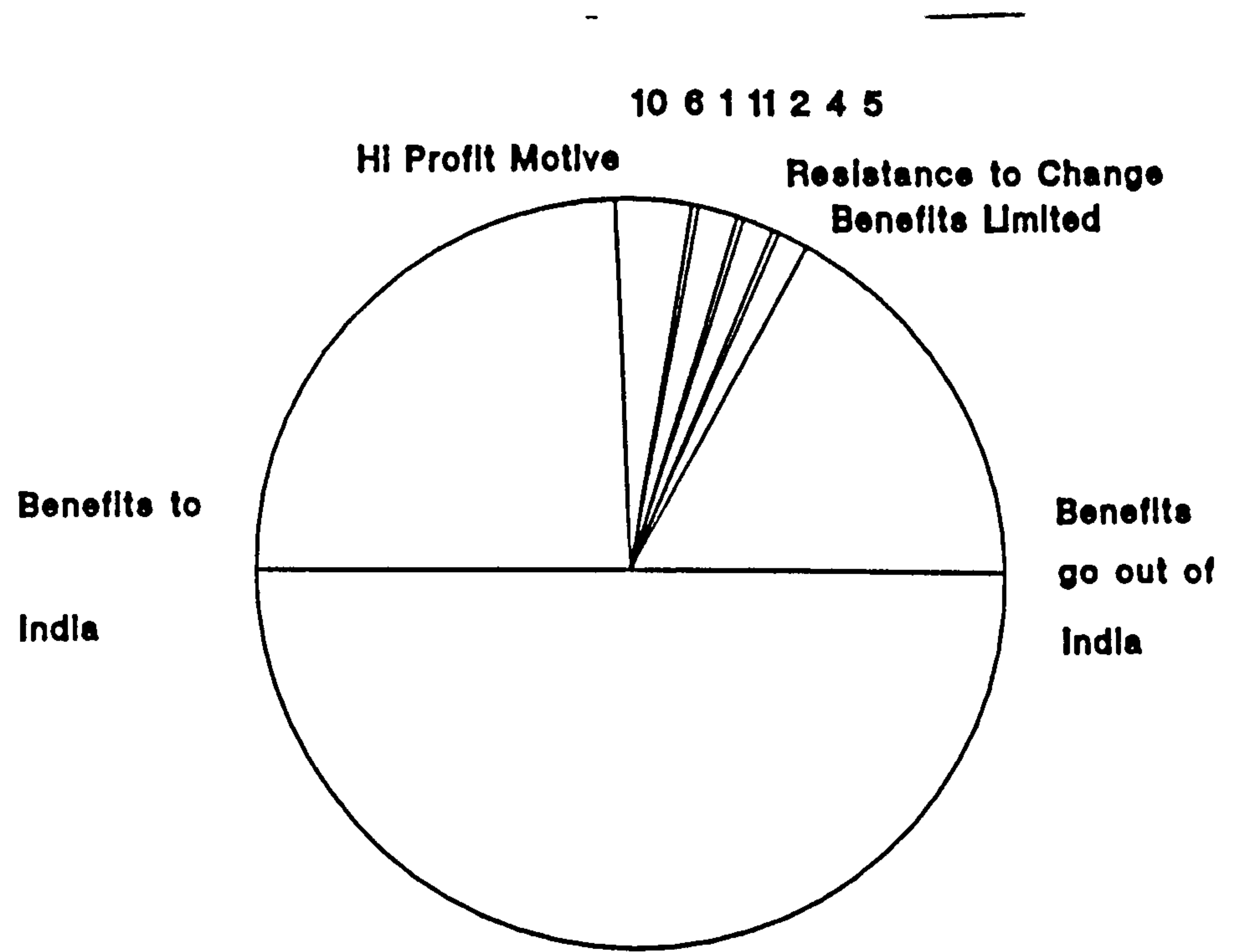
The implication of the data above is that, if an organisation is not professionally managed, it is also construed as having bad working conditions and being resistant to change. According to the dichotomy corollary, a professionally managed organisation would have good working conditions and be ready to change. The constructs are fairly close in angular distance, implying a reasonable amount of correlation between them. On the whole, all the constructs relative to the principal component range from 44 degrees to 97 degrees for MBAs and 39 degrees to 102 degrees for non-MBAs, the averages being 71 and 69 degrees respectively. Since they are less than 90 degrees, it is possible to say that there is a greater correlation between these constructs and the principal component than if they were 90 degrees or over.

Figure 9.1
Mental map of Angular distances of other constructs from
construct 7 (Benefits to India/Benefits out of India)

MBAs



non-MBAs

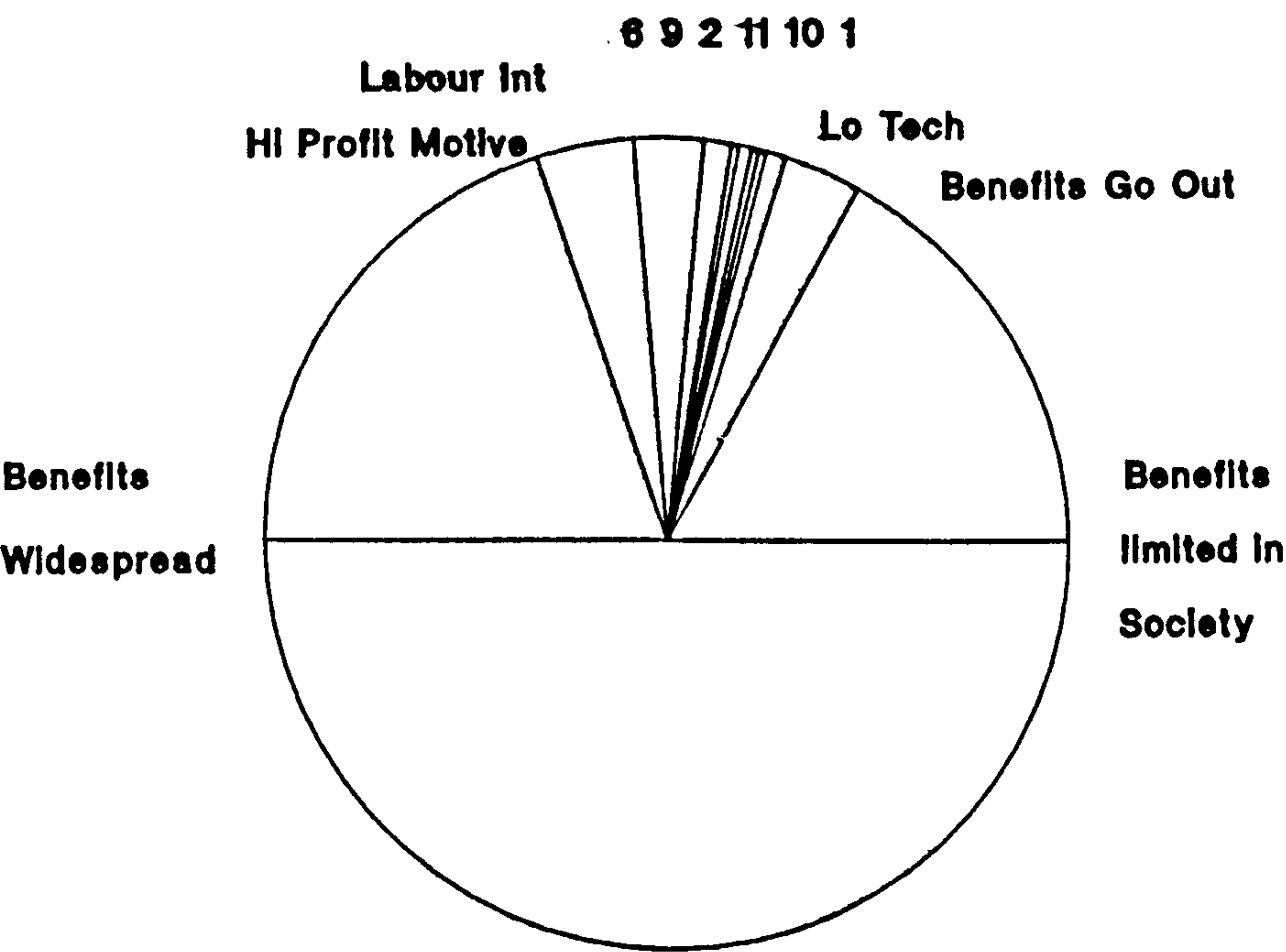


The pattern of negative constructs accumulating together in one hemisphere has recurred. The range of angles for both groups is 61 to 102 degrees. The implication of a narrower range of angles, with an average of 83 degrees for both groups is that there is greater independence of the constructs from the principal component, as they are almost 90 degrees, therefore being close to a correlation coefficient of 0.0. Most of the constructs are therefore conceptually distant from this one, except for construct 8 which is about benefits being widespread or limited in society.

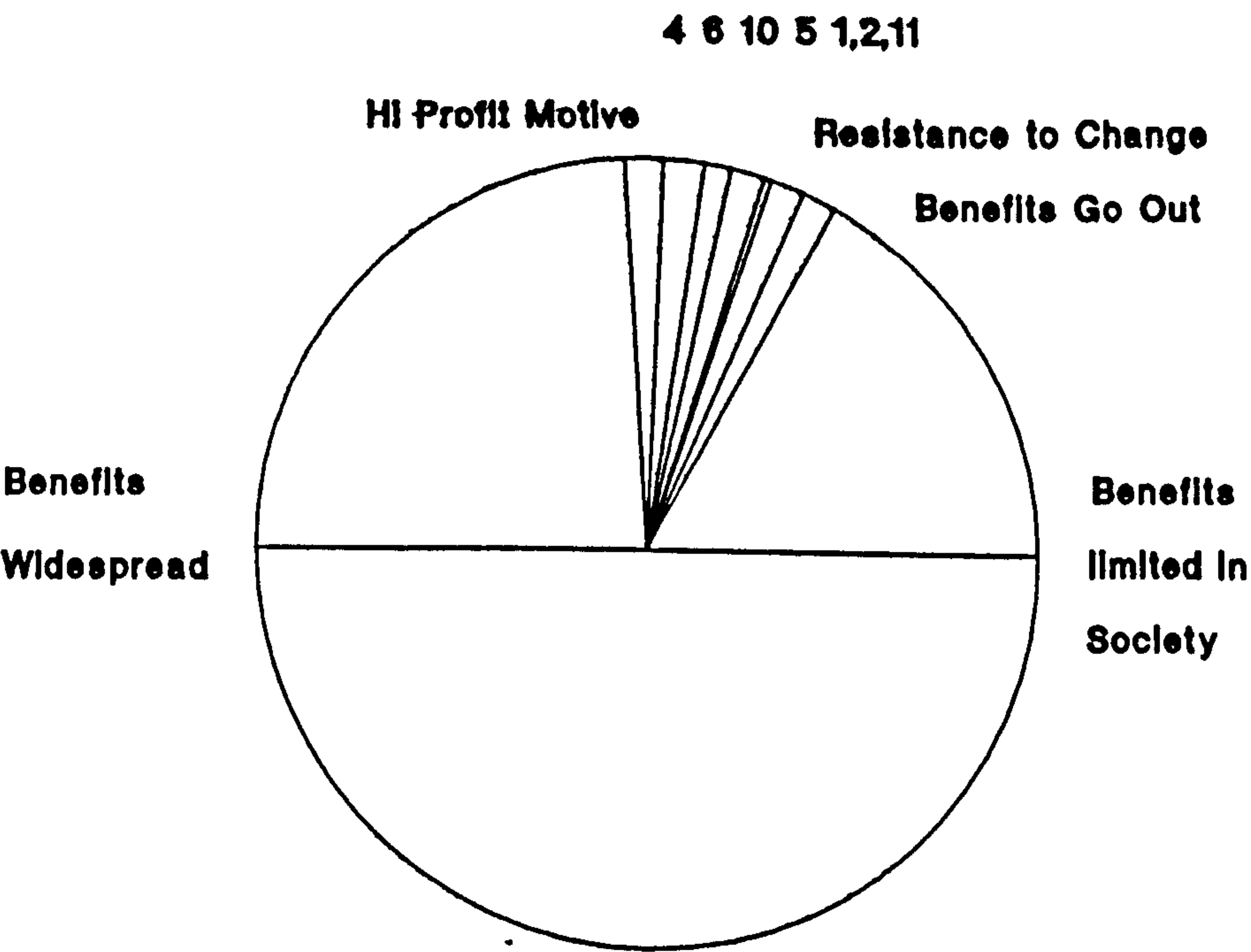
The main difference between the MBAs and the non-MBAs is the rank order of constructs and the opposite algebraic sign for three of the constructs (4=Labour/Capital intensive, 6=Transfer of/ Indigenous technology and 10= Owner/ Not owner managed). However, the effect is minimal as the angular distances approximate 90 degrees, so that even with the contrast pole (dichotomies) the distance from construct 7 (benefits go out/ benefits to India) remain the same. The distances from construct 8 are explored next.

Figure 9.2
Mental map of Angular distances of other constructs from
construct 8 (Benefits widespread/Benefits limited in
society)

MBAs



non-MBAs



The angular distances are very similar to those of construct 7, indicating an independence from the other constructs. MBAs range from 61 to 108 degrees with an average of 80 degrees and the non - MBAs range from 61 to 93 degrees with an average of 75 degrees. The rank order of the constructs is similar, between the two groups and indeed so is the pattern with construct 7.

On the whole, therefore, it would seem that construct 1 (Professional management) has slightly greater correlation with all the other constructs than do either construct 7 (Benefits to the country) or 8 (Widespread or limited benefits), although the latter two are quite close together. The implication is that these latter, key constructs, are construed independently from all the other constructs, with the implication that people do not consider that these issues have much to do with the other nine constructs. If this is the case, there would seem to be major gaps in the way managers see the way forward and the way social policies are framed.

However, there is a pattern which has emerged, in terms of "negative" constructs clustering together in the same hemisphere and "good" constructs clustering in the other half. This pattern is illustrated in the table below with the help of correlations;

Table 9.2
Clustering of "good" and "bad" constructs, based on construct one.

+++++
PROFESSIONALLY MANAGED NOT PROFESSIONALLY MANAGED

High Correlation:

Good working conditions,	Bad working conditions
Readiness to change	Resistance to change

Medium correlation

High technology	Low technology
Not owner managed business	Owner managed
High power over market	Low power over market
Transferred technology (imported)	Indigenous technology
Benefits widespread	Benefits limited in society

Low correlation

High profit motive	High profit motive
Benefits to India	Benefits go out of India
Capital intensive	Labour intensive

+++++

Conclusion

The first stage of the analysis of the grid on corporate responsibility provides clear evidence that MBAs and non-MBAs, on the whole and not unexpectedly, cluster good and bad constructs on opposite sides. However, they appear to have clustered technology and social choices which might be better suited to social development of a poor country as "bad" and all the modern high technology constructs as "good". There is a very subtle difference between the two groups on the basis of principal components, which suggests that MBAs may be more career concerned than non - MBAs, who do have the construct "benefits to India" and "benefits out of India" within their range for construing corporate responsibilities.

The next stage of the analysis is based on the Series program and incorporates the elements and the constructs in a consensus matrix.

9.2 Grid Analysis Package; Series program

The series programme analyses grids aligned by elements and constructs, so it is possible to treat the entire sample as a single data base. All the grids are entered into the programme and a single result called "consensus matrix" providing the averages for the constructs and the elements is produced. The data for the MBAs and the non-MBAs were treated as separate units, so that the picture for all the MBAs and all the non-MBAs could be produced and then compared for differences.

The results in the form of the consensus matrix also lends itself to analysis along the lines of the semantic differential scale of Osgood (paragraph 6.21) as well as the mental map idea of Kelly, because the data from the consensus matrix is run through the INGRID programme and produces a principal component analysis for each matrix. The series programme, therefore, is a most useful analytical tool as it allows for the same data to be analysed from three different approaches.

The analysis below concerns social responsibility of corporations and is based on the provided constructs. This grid has four positive role elements (2,4,6 and 8) and four negative role elements (3,5,7 and 9). The ninth role element is the company the person works for, allowing the individual to align his employing organisation with either side through the rating scale. The data from the consensus matrixes may be analysed by locating the elements on a scale, a,b,c,d being from vague to very clear understanding. It is possible to identify the differences between the MBAs and the non-MBAs on this basis.

Table 9.3
 Construing "Good" and "Bad" constructs and elements.
 ++++++

1. Professionally managed (-),Not Professionally managed (+)

MBA				non-MBA			
-		+		-		+	
1	9	a		1	9	a	
8	4	b		4	2	b	
	6				6		
	2	c	7 5 3	8		c	3 7
		d				d	5

2. Good working conditions (-),Bad working conditions (+).

-				+			
4	6	9	a		9	a	
2	8	1	b	7 3	2 8 6 1 4	b	
			c	5		c	7 5 3
			d			d	

3. Hi profit motive (-), Lo profit motive (+).

-				+			
4	3	8	1	a	7 2	8 2 1	a
		9	b	5 6		9 4	b
			c				c
			d				d

4. Labour Intensive (-), Capital intensive (+).

-				+			
3	7	2	5	a	9 6 1 4 8	3 5 7 1 2	a
			b				b
			c				c
			d				d

5. Hi Technology (-), Lo technology (+).

-				+			
2	1	8	a	9	2 9	a	
	4	6	b	5 3 7	6 4 8 1	b	5 3
			c			c	7
			d			d	

continued overleaf

6. Transfer of tech to India (-), Indigenous technology (+).

-				+			
9	1	2	a	6	5	3	9
	4	8	b	7			1
			c				2
			d				6

7. Benefits to India (-), Benefits out of India (+).

-				+			
2	1	8	a	5	3	7	2
	6	4	b				8
			c				1
			d	9			4

8. Benefits widespread (-), Benefits limited in society (+)

-				+			
4	8	2	a	1	5	3	4
			b	7	9		2
	6		c				8
			d				6

9. Readiness to change (-), Resistance to change (+).

-				+			
8	2	6	a	9			4
	1		b	3	7		2
	4		c	5			1
			d				8

10. Not owner managed (-), Owner managed (+).

-				+			
6	1		a	4	5		9
2	8	9	b	7			6
			c	3			2
			d				9

11. Hi power over market (-), Lo power over market (+).

-				+			
6	4	8	a	9	1	7	8
			b	5			2
			c				9
			d				6

+++++

From the table above, the following trends are noticeable. All the positive role elements have tended to cluster together to one side of the constructs and the negative elements to the other. The organisation which is sometimes found with either side is element 9 (the negative role multinational).

On most constructs the respondents have "construed" around (a) or (b) of the scale, which means that they have a feel for the way the elements have aligned with the constructs rather than, say, a deeply felt conviction. The exceptions to this can be found in constructs 1,2,5,7 and 8 where elements are seen at levels (c) and (d). The implication, with construct 1, for example, is that element 5 (an unsuccessful organisation) is very clearly construed to be unprofessionally managed by the non-MBAs. This may be contrasted with elements 1 (the organisation I work for) and element 9 (the "bad" multinational) which are both positioned as professionally managed, but not with the same degree of clarity as element 5.

On the basis of how "good" elements have clustered together, it is possible to tell which constructs the respondents believe are "good" and these are;

- Professionally managed
- Good Working conditions
- Capital Intensive
- High technology
- Transfer of technology to India
- Benefits to India
- Benefits widespread
- Readiness to change
- Not owner managed
- High power over market

There seemed to be some indecision on whether high profit motive was a good or a bad thing. The "bad" constructs were therefore the opposite of those above and are;

- Not professionally managed
- Bad working conditions
- Labour intensive
- Low technology
- Indigenous technology
- Benefits go out of India
- Benefits limited in society
- Resistance to change
- Owner managed
- Low power over market.

There are two particular roles which are of interest; element 6, the Indian organisation which respondents think makes a positive impact on the development of the country and element 9, which is the negative multinational. They appear together on many of the constructs, such as with professional management, working conditions, capital intensity, but separate quite markedly on the construct "benefits to India/Benefits out of India" and on whether the benefits are widespread or limited in society.

The data above adds to the building of a scenario of MBAs and non-MBAs, on how they perceive constructs which denote features of modernisation. They have been helped in the process by the use of four positive and four negative elements. The organisations which formed these elements are discussed next, in order to shed light on why the choices, shown in table 9.0 above, were made.

9.3 The elements, who they are and implications

Having discussed the relationship of the elements to the constructs, the data below actually names the organisations which were most frequently quoted and the totals for each construct. Respondents, for example, generated only 31 different names for role description 9 but generated 74 elements for role description 5. The implication being that they had a much clearer understanding of the sort of organisation which fitted the role description 9, a negative impact multinational than for an unsuccessful organisation (role 5).

A brief description of each of the organisations and the possible reasons for their choice follows the table below.

Table 9.4
Organisations most frequently used to fit to the role sheets. "n" = frequency for each role description by all respondents.

+++++		
	MBAs	non-MBAs
Element 2; n = 57		
1. Hindustan Lever	8	7
2. Tata Companies	7	9
3. World Bank	6	2
Element 3; n = 49		
1. Birla Companies	10	5
2. Modi Companies	5	4
3. DCM Companies	4	4
Element 4; n = 51		
1. Reliance Textiles	16	8
2. Hindustan Lever	9	4
3. Tata Companies	4	4
Element 5; n = 74		
1. Steel Authority of India	5	3
2. Metal Box	3	2
3. Hindustan Computers	2	2
Element 6; n = 34		
1. Tata Companies	20	15
2. National Dairy Dev. Board	7	4
3. Bharat Heavy Electrical Ltd.	6	4
Element 7; n = 62		
1. Birla Companies	9	10
2. Various SSEs and family firms	7	8
3. State Electricity Boards	1	3
Element 8; n = 37		
1. Hindustan Lever	20	14
2. United Nations Organisations	4	7
3. Siemens	5	6
Element 9; n = 31		
1. Union Carbide	18	24
2. Colgate	7	11
3. Imperial Tobacco (B.A.T.)	4	0
+++++		

Element 2 is based on "the organisation you would next most like to work for". The positive image which is held by the respondents, particularly the first two receive independent support through secondary sources, suggesting why the respondents may have selected them.

Hindustan Lever, a multinational which has a positive image (Fieldhouse,1978) in India because it has developed high standards of local consumer products, conducts research and development in India, was the first multinational to appoint senior Indian managers and offers good career prospects for indigenous managers.. Apart from these reasons, Hindustan Lever also pays generous salaries on multinational lines (Table 7.15)

The Tata companies also have a positive image in the country. They were founded by the Tata family in the late 19th century (Lall,1983). The founder was concerned with social development as well as the growth of the industries established. The list of industries they have started is extremely large; steel, trucks and buses, household goods, cosmetics, leather, various engineering firms and Air India was founded by the Tatas. They also have hotels and other service businesses. Interestingly, all the Tata firms now have trusts to which the profits are directed. The family does not have a controlling influence on the organisation although there are a few members of the founding family on various boards. The trusts which administer the profits allocate resources to various research organisations such as the Tata Institute of Fundamental Research, hospitals, education and the arts, while at the factories they have been particularly careful to ensure pollution control and staff welfare.

There are three particularly high technology aspects of Tatas which attract the managers. These are the Tata Administrative Service (TAS), Tata Consultancy Services (TCS) and Tata Burroughs Limited (TBL). The TAS is a high profile organisation which provides management consultancy to the Tata companies and is seen as the training ground for future directors of the various Tata companies. TCS, also a consultancy is involved in computer consultancy, in the development and marketing of software both in the Indian market and overseas markets. TBL is a joint venture geared to 100% export of software through the placement of Indian software engineers on clients' premises. None of these three Tata companies contributes directly to the social responsibility of the organisation as a whole. None of the respondents quoted any of the engineering or other manufacturing companies as organisations they would next most like to work for. There is no significant difference between the MBAs and the non MBAs in their selection of the two most popular organisations.

The third most popular organisation for the MBAs is The World Bank. The main reasons given for this choice was the high quality of work which the respondents felt the organisation did, the type of consultancy for which they felt they had been trained on the MBA programme. Perhaps the salaries which the World Bank offers has some attraction as

well (as they would be around 10 times what any of the respondents selecting The World Bank currently earn !)

Perhaps the real reason for selecting these three organisations is that they all have a positive image of being socially relevant, while at the same time offering high remuneration packages and good working conditions. Another aspect to all three organisations is that they are not owner managed, so that promotion prospects are not governed by "family" considerations.

Element 3 is " the organisation which you would definitely not work for ". More MBAs singled out the Birla companies than any other organisation. The Birlas are the other great Indian family which rose from trading into manufacturing early in the 1900s. They were patrons of Mahatma Gandhi during the " Quit India " movement and have created as many industries as the Tatas. The Birla companies and the Tata companies are probably the largest industrial groups in India. However, the Birlas have not professionalised their management as rapidly as the Tatas, in that control of the companies lies very much with the various family members. This means that there are few prospects for people who are not part of the family to reach the top of the organisation. They have also created an image of favouring people from within their own community when promotion is made. In the context of Indian culture, trust based on family loyalties and community bonds has been an important part of the development of many organisations

The Birlas have another part to their image, apart from being family centred. According to respondents they are perceived to have no social responsibility, although they too fund various charities and Institutions. This image is the result of a very poor track record of some of their companies on product quality, heavy pollution of the environment, (CSE, 1985) indifferent treatment of employees, lack of research and development and use of political clout to achieve some of their commercial objectives rather than face free market competition whenever that has been introduced.

The Modi family and the Nanda family which run Delhi Cloth Mills (DCM) have very similar reputations in the Indian context, but are operating on a smaller scale to the Birlas and Tatas. The second generation family members have been to various prestigious Business Schools and parts of the Modi and DCM companies are run by formally trained members of the family while other parts are run by managers who have risen through the ranks and not received any formal training. During 1985, there was a court case in progress, involving both companies as an expatriate Indian (Swaraj Paul, in the UK) was making a bid to gain control of the companies. He had bought shares in both organisations under new rules

allowing expatriates to buy shares in Indian firms. The families of both organisations opposed the move and there was considerable press coverage of both organisations for many months. (India Today, January 15, p58-59, 1986)

Perhaps the selection of DCM and the Modi as examples of family run organisation providing few opportunities for professional managers who are not part of the family was encouraged by the reports of these organisations in the press. (for example India Today, January 15, 1986)

Element 4 is defined as a successful organisation by your own criteria. The criteria for 16 MBAs and 8 non MBAs was high growth rate and profitability. Reliance textiles, also a family run company, has grown extremely quickly and profitably in a short time. Started by Dhirubai Ambani and now assisted by his sons, the firm is an example of successful entrepreneurship. This firm was also in the press during 1985 generating a rags to riches storyline in many of the influential magazines in India. Both the Tata companies and Hindustan Lever are also quoted as being successful organisations, as they have a good image in India through long term press coverage.

These organisations have been selected for their orientation to profitability with a social responsibility through product quality, development and steady growth which the respondents who selected these organisations felt would be sustained while rejecting Reliance as a short term wonder. However, all three organisations are in the private sector, perceived to be successful because they have grown profitably, and 29 out of 53 MBAs have selected these three firms from a total of 51 different organisations. The non MBAs are more dispersed in their selection, only 16 of them selecting these three firms. Perhaps the management school training gives the MBAs an orientation towards certain types of organisations.

Element 5 is the unsuccessful organisation by your own criteria. There was great diversity on this role, as a total of 74 different organisations were named. While the majority of respondents could decide on the criteria of success being profitable growth, it seems they could not decide on a definition of lack of success. However, lack of success does not seem to be lack of profit. According to the Indian managers, if an organisation does not meet its objectives or misses opportunities in the market place it is defined as unsuccessful. The three organisations selected are from the public sector, a multinational and a private Indian firm.

The Steel Authority of India has been quoted for its failure in meeting the needs of steel in India. Apparently the organisation is inefficient, has failed industry, its prices are uncompetitive, and it has been stagnant. People who

quoted this organisation mentioned that Japan which has no iron ore of its own is able to ship in the ore and process it into various high quality steels, while India which has large quantities of iron ore has been deficient in meeting the industrial needs of steel and the inefficiencies of the steel industry were reflected in the uncompetitive prices which then had their effects on the prices of industrial goods being uncompetitive.

Metal Box was quoted as a firm, which had completely missed opportunities of growth through old fashioned management and lack of modernisation. Respondents felt it was going nowhere as an engineering company when it could have contributed significantly to the market in India, particularly as it had access to new technology, being a multinational organisation.

The choice of Hindustan Computers, an Indian organisation in a high technology environment is interesting. The respondents felt that it had not really got to grips with the technology and market place, so that the firm's products were not competitive, therefore experiencing much slower growth in an industry which offered rapid growth potential.

Element 6; an Indian organisation which makes a positive impact on the development of the country. There seems to be great uniformity as only 34 organisations were named by 53 pairs of respondents. The most popular organisation being the Tata companies, mainly the engineering and steel works, rather than the consultancy organisations for which the respondents would prefer to work. The main reasons given were product quality, reliability and the overall social responsibility towards the employees and the environment. They were also seen as organisations of high level of integrity not abusing their political strengths through being one of the two largest industrial houses in India.

The National Dairy Development Board was established recently and is perceived by the respondents as making a positive impact on society because of "operation flood". This was a new venture to make milk more widely available, both through the development of an infrastructure to enable the farmers to get their milk to market and the effective distribution of "aid milk" from the EEC surpluses. From the respondents' point of view the availability of good quality milk in sealed packets was seen as a major consumer benefit.

The third organisation is from the public sector, often a derided sector. Bharat Heavy Electrical (BHEL) is perceived as being a modern and well managed organisation, providing high quality products and services to Indian industry. It has retained flexibility and new technology and is seen to

have contributed to a more effective supply of energy to industry and society.

Element 7 is defined as an Indian organisation which makes a negative impact on the development of the country. The Birla companies once again were selected as a negative role organisation, for their lack of product development, pollution, protectionist approach to industry through political influence and so on. The second most popular were small firms operating on the edges of the formal and informal sectors. Examples were the quarries in north India, which were both illegal and ruthless in the use of labour. Small construction firms which disregarded worker safety also came in for criticism. The small scale sectors making match boxes and firecrackers were selected for using child labour and having hazardous conditions. The leather industry was singled out for cruelty to animals. All these examples were seen essentially to be exploitative and illegal.

There was great diversity in the sort of organisation which fitted the role, as people did not feel that industry as a whole made a negative impact, hence the high frequency of the small firms. Only Birlas among the modern industries is perceived as having a negative impact. The third element is made up of the State Electricity Boards, and they are seen to have failed completely in meeting the needs of increased demands. Two of the respondents also said that the Boards were prone to corruption at the operational level as staff would ask for bribes just to do their job of connecting power on new premises

Element 8 is defined as a multinational which makes a positive impact on the development of the country. Hindustan Lever is by far the most popular organisation for this category, for the reasons already mentioned above. The United Nations Organisations which are felt to have a positive impact are the UNICEF, UNIDO and the FAO, which have contributed to education, industrial development and food and agriculture technology. Siemens is a large German electrical organisation which like Bharat Heavy Electrical is seen to have contributed with modern high quality products for the modernisation of India's energy and infrastructure needs. Siemens have been in India a long time, employ around 7,000 people and their products are seen to be socially relevant.

Element 9 is the multinational which has made a negative impact on the development of the country. A surprising aspect during the interview was the great difficulty some respondents had in dealing with this element. Some refused to name an organisation as they felt that multinationals do not make a negative impact at all, others agreed that not all multinationals were beneficial but they felt that the definition was too strong (which was not a problem with

element 7). The interviewer was asked to provide examples of what was meant by the definition, by around 15 respondents. Examples given were those of IBM and Coca Cola both withdrawing from India in 1977 at the request of the Indian government for their unwillingness to share technology. Since their departure, there has been a mushrooming of indigenous computer firms and a rapid growth in the soft drinks industry.

Following this example of organisations which are not currently in India, most respondents selected Union Carbide. There were more non MBAs selecting Union Carbide than MBAs, because this was the only organisation which they felt fitted the role description, many continuing to disagree with the possibility of multinationals having a negative impact on the development of the country.

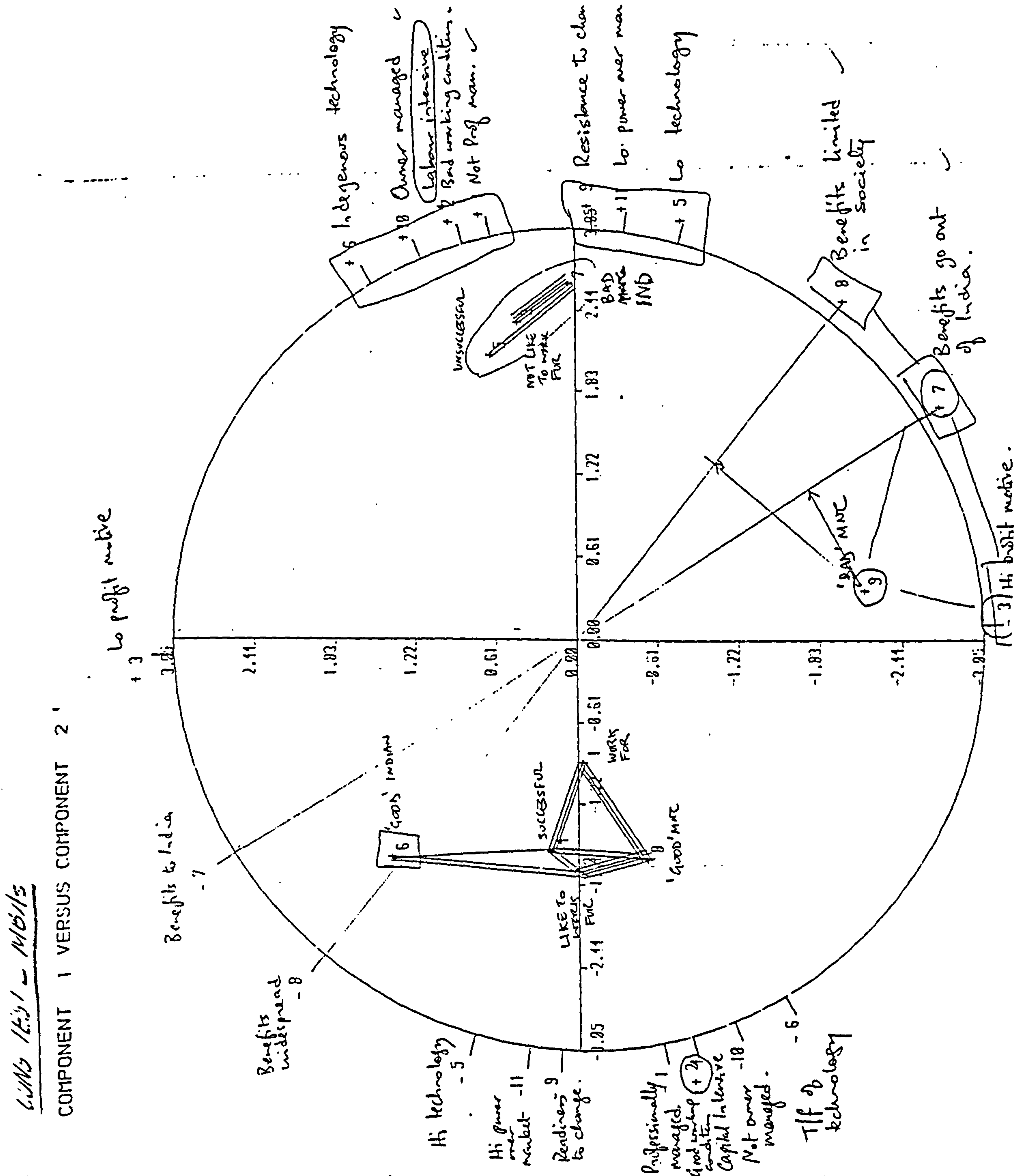
Since there were two role descriptions of MNCs; good and bad, the respondents found it easier to identify a "good" MNC than a "bad" MNC. The actual issue of whether or not MNCs are "good" or "bad" for the country is not of concern as much as the "construing" of such a possibility. The difficulty experienced in naming a "bad" MNC was a sharp contrast to the ease with which "bad" Indian organisations were named. Here, too the question is not whether or not the Indian firms are "good" or "bad", but only the construing of such a role.

Colgate was the next most popular as it fitted their image of a multinational making a product of low technology which Indian organisations also manufactured. They perceived Colgate as abusing its market dominance, through large advertising budgets which the late entrants (Indian organisations) could not hope to compete with on equal terms.

9.4 Grid Analysis Package; Ingrid program

Having analysed the perceptions of the role held by the respondents for each of the constructs, the two consensus matrixes, were put through the Ingrid program, which is a principal component analysis of the constructs and a clustering of the elements, in order to pull together the main trends of the findings discussed above, contrasting MBAs with non-MBAs.

Figure 9.3
Consensus "mental map" of MBAs, relating elements to
constructs.



The principal components of the MBAs constructs are :

Indigenous technology,
Owner managed,
Labour intensive,
Bad working conditions and
Not professionally managed

Together these represent a clustering of negative attributes, since they imply that an organisation with bad working conditions which is not professionally managed is probably owner managed, using labour intensive indigenous technology. This statement is important also from the implied meaning that the opposite traits are positive or good things.

Therefore, if technology is imported, is capital intensive within a professionally managed organisation with good working conditions this would be a good thing. Further, the negative list gets support from three other constructs in a secondary role.

These are

Resistance to change
Low power over market
Low technology

Unprofessional management using low technology which is indigenous in an organisation which is resistant to change are constructs associated with negative roles. The role elements which are closest to the principal component and the supporting constructs are :

The unsuccessful Indian organisation,
The firm I would not like to work for and
The Indian organisation which makes a negative impact on the development of the country.

The latter pair are clustered very closely together, implying that the MBAs would not like to work for an organisation which makes a negative development impact on the country. In fact, these two roles happen to be the same organisation in the main, Birla companies.

The reluctance to perceive the negative role MNC closely with the principal component can be clearly seen by the distance away from either end of the scale on the x axis. Although the negative MNC is not seen as fitting the principal component, neither are the respondents willing to accept the opposite meaning for this type of MNC.

On the opposite end of the scale on the x axis are four organisations;

- (2) an organisation I would next most like to work for
- (1) current employer,
- (4) a successful Indian organisation and
- (8) a multinational which makes a positive impact on the development of the country.

The first and last roles are the same organisation, Hindustan Lever, so they are also clustered strongly together, except that within the context of role description as a multinational, it lies slightly away from the origin on the y axis scale, relative to role description 2.

In addition to these four organisations, element 6 also clusters with the positive constructs. All five elements though are not as far to the extreme end of the positive part of the scale as the negative elements are on the opposite side. Element six, in addition to clustering with the positive constructs and elements is very closely related to the construct " benefits widespread " and close to benefits to India. Opposite to element six is element nine, which is about half way on the scale of management quality and level of technology, but is certainly seen to be of limited benefit to society, sending the benefits out of the country.

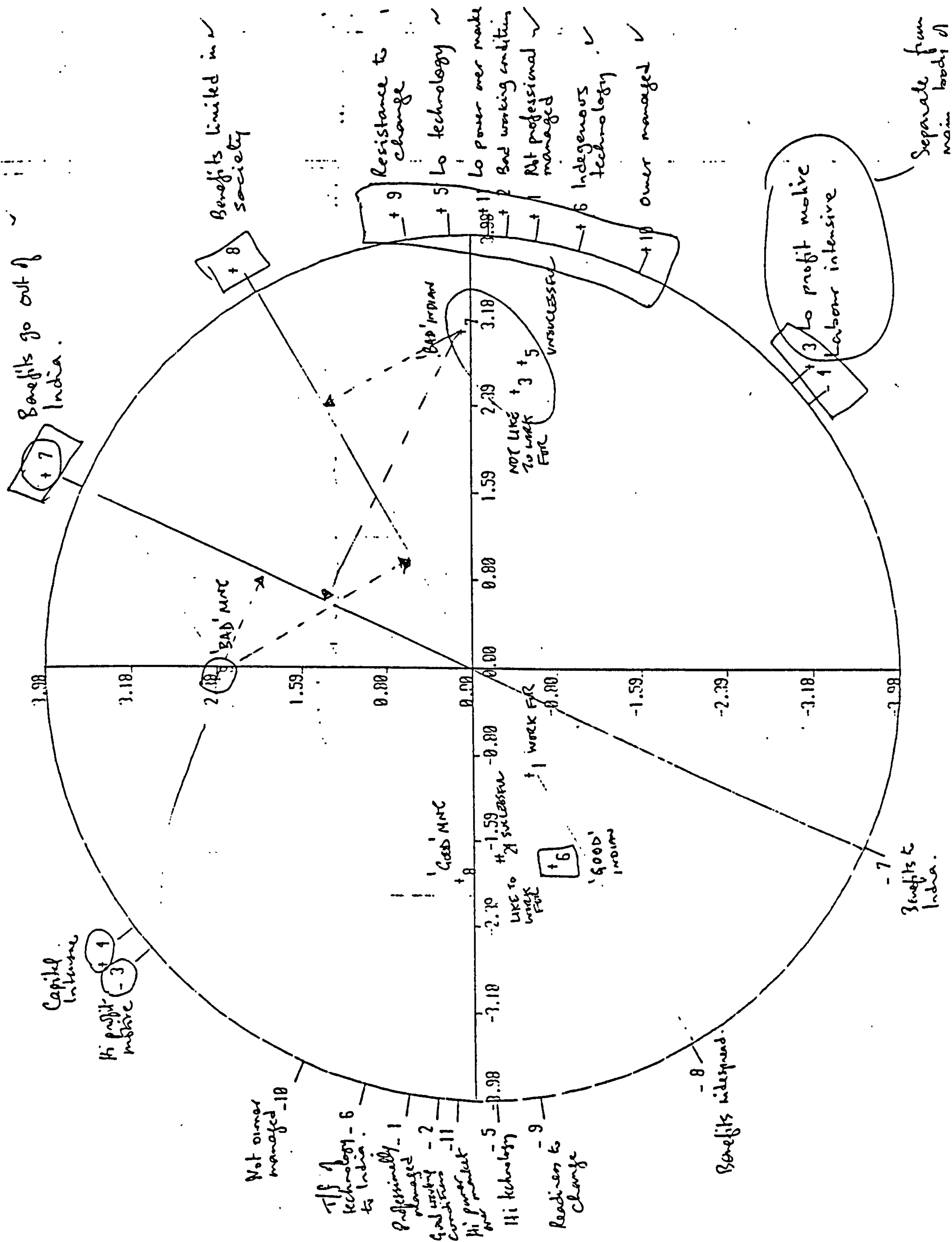
The secondary component (y axis) is low profit motive and high profit motive. Virtually all the organisations are on mid point on this construct, except element 6, clearly perceived as having a low profit motive, while element 9 is seen to have a high profit motive. The issue of whether an organisation is of benefit to society has played a tertiary part in the construct system of the MBAs, in the principal component is to do with the quality and how up-to-date the management is. The secondary component is concerned with the profit motive. Since the constructs were provided, they have appeared on the graph, but clearly they are an unimportant part of the way MBAs construe organisations.

The implication of this finding is that the concept of appropriate technology has been missed. In a poor country, production based on labour intensive methods is more likely to lead to equitable development. Therefore, the strength of views of the MBAs in favour of capital intensive technology might well indicate a lack of empathy for social development. It might also be a function of government policy and costs and these issues are taken up again in chapter eleven.

TEXT BOUND INTO THE SPINE

COMPONENT 1 VERSUS COMPONENT 2

Figure 9.4
Consensus "mental map" of non-MBAs, relating elements to
constructs.



The principal component of the non-MBA group is made up of the same constructs as the MBA group, except that there is a clear clustering of all seven constructs together rather than being in two groups. The constructs are;

Resistance to change
Low technology
Low power over market
Bad working conditions
Not professionally managed
Indigenous technology
Owner managed

The difference between the two groups is that low/high technology is part of the principal component for non-MBAs, while it is secondary for the MBAs. For the non-MBAs, labour and capital intensive technologies are not as important as they are for the MBAs. Both groups have used the negative pole of the constructs to formulate the principal components. The three elements which have clustered together on the negative constructs are once again;

the organisation I would not like to work for,
the unsuccessful Indian organisation and
the Indian organisation making a negative impact on the development of the country.

There is a difference between the MBAs and the non MBAs in the second component, because the non-MBAs have the construct "benefits go out of India", whereas the MBAs had profit motive. Because of this change, there is a subtle change to the location of elements 9 and 7, both being organisations with a negative impact on the country. The non-MBAs perceive them to be more like each other as they are slightly closer to the axes formed by these constructs. Element 6 also comes out closer to the x axis due to the change in the second component, while maintaining its closeness to the two constructs, "benefits widespread" and "benefits to India". All the positive role elements are clustered together on the positive pole of the constructs.

The similarity with the MBAs is that although the positive elements are on the positive half of the scale they are not quite as far over to the extreme as the negative elements are (x axis).

Virtually all the elements are mid way on the scale of the second component, except element 9, which is clearly perceived to be sending its benefits out of India, while also being close to the constructs; capital intensive and high profit motive.

The overall difference between the two groups is the change in the second component. The MBAs had relegated to

"unimportant" the two constructs; benefits to India and benefits widespread, while the non-MBAs have given these constructs greater importance by making them a second component. The implication is these constructs are not part of the core system of the MBAs, whereas they are a part of the non-MBAs'. This implication, made in the context of the organisation corollary, is that the non-MBAs may be more socially responsible than the MBAs. Further, there seems to be an interesting paradox, in the sense that the largely technical non-MBAs are not so committed to capital intensity as the MBAs.

In addition, these constructs have exchanged importance with the profit motive, which the non-MBAs feel is unimportant while the MBAs felt was important. The final change is the perception of labour or capital intensive technology versus high or low technology, although the association between low technology and labour intensive methods remains.

In view of the principal components being largely the same and the clustering of elements being similar, one must conclude that there is little difference in the perception of corporate social responsibility between the two groups. Both of them perceive high technology, capital intensive organisations with a high profit motive as being not owner managed, bringing in technology, having good working conditions and influence over the market as good for the country and society. The opposite attributes being bad for the country.

On the labour / capital intensive construct, the choices in favour of capital intensity is in keeping with conventional dual economy models of growth and demonstrate a strong allegiance towards this model. Further, in view of the MBAs developing profit motive as the second component, it indicates that the people with management education have even stronger orientation to the free-market profit maximisation model compared to the non MBAs whose second component was to do with the benefits to society. If one accepts the growth model as the appropriate model for a developing country then the MBAs are ideally suited to the task as they have a strong orientation to it.

Neither group, it seems, have an orientation to equitable (rather than dual) models of growth, although there is a hint towards this from the non MBAs. If equity as a model of development is defined as socially responsible behaviour then, it would seem that although neither group is particularly socially responsible, the non MBAs are slightly more socially concerned than the MBAs on this index, through having core constructs like "benefits to India" and "benefits widespread".

This finding relates to another part of the results section (Table 7.18) in which it was seen that more MBAs with career anchors of managerial competence tended to work for multinationals. The summary and discussion of the results in chapter eleven contains an elaboration of this point.

In terms of diversity or agreement between the groups it is evident that some provided constructs evoke clear images so that more of the respondents seem to attach similar meaning. Element 5 for example is an organisation the respondents feel is unsuccessful by their own criteria and this has produced 74 different organisations. On the other hand element 9 has just 31 organisations, with 24 non-MBAs and 18 MBAs naming the same organisation (Union Carbide).

9.5 Conclusion

The conclusion to this chapter, on the corporate social responsibility construed by Indian managers, is made with the help of the fundamental postulate of personal construct theory and relevant corollaries.

1. The fundamental postulate would allow the suggestion that people who "anticipate" socio-economic development in terms of modern high technology industry, run by professionals on a capital intensive basis are likely to behave in such a way as to bring about this kind of environment, because their psychological processes will be channelized by these constructs.
2. The organisation corollary has helped with the analysis of the principal components and the differences between the MBAs and the non MBAs has been found within the framework of this corollary; the difference being that the non MBAs have "benefits to India and benefits widespread" as a component, while the MBAs do not. The implication being that people who have certain core constructs are more likely to make choices based on those constructs than on others. This corollary reiterates the fundamental postulate, but it does so in slightly stronger terms as it is based on core constructs.
3. The choice corollary helps to identify the choices which the respondents made. The main example concerns the social involvement projects which appeared to work in the voluntary system at the IIM in Ahmedabad, albeit in small numbers, while they seemed to have failed at the IIM in Bangalore where they were part of the required summer activity. The reason for the failure was that the projects had little relevance to the modern industrial sectors into which the graduates expected to go for placement. With regard to the constructs, both groups have clearly made choices in favour of the modern sectors also construing them as "good" for development.

4. The experience corollary links the social origins to the repertory grid findings as it seems that the respondents appear to be elitist and they seem to hold "elitist" constructs about industry. Perhaps because they have had no "experience" of poverty they cannot understand, or construe the needs of "the poor".

5. The fragmentation corollary is relevant as it helps to pull out, through provided constructs, the following; both MBAs and non-MBAs have grouped certain positive constructs to one side of the component analysis and the negative constructs to the other side. This has been further sorted on the basis of good and bad elements and the inference which this clustering points to is a superordinate construct system (which has already been put forward) that the respondents construe modern high technology as good for the country and so forth.

6. The commonality corollary is probably the most helpful, as there is very clear evidence from the data that both the groups MBAs and non MBAs hold common views on the issue of corporate responsibility. The commonality is not defined by whether or not they have MBAs, but in fact simply that they are all managers in modern industrial India. The only construct differentiating the two groups was profitability vs. benefits to India, discussed above. As noted in paragraph 3.12, people who construe in similar ways are likely to behave in similar ways. Therefore, because both groups construe social responsibility of corporations in similar ways, they are likely to behave in similar ways when they make managerial choices. This would imply that the IIMs have not succeeded in changing their graduates' constructs of corporate social responsibility, vis a vis the matched group of non-MBAs and that, if anything, the non-MBAs are slightly more aware of social priorities.

Having studied the perceptions about corporate social responsibility held by MBAs and non MBAs, the next chapter concentrates on the perceptions of individual social responsibility held by the two groups.

References:

(CSE) Centre for Science and Environment.; The State of India's Environment, 1984-85. The second Citizen's report. Published by Ravi Chopra for the CSE, 807 Vishal Bhavan, 95 Nehru Place, New Delhi 110019.

Fieldhouse D.K.; Unilever Overseas. The anatomy of a Multinational. Croom Helm, London, 1978.

(GAP) Grid Analysis Package; Notes available from University of Manchester, Institute of Science and Technology and also from the Computer Centre, Cranfield Institute of Technology, 1981. These notes are based on;

Notes on Ingrid and Grid Analysis Package by P. Slater (1972), University of Manchester Regional Computing Centre, Oxford Road, Manchester.

India Today.; Cover story on the Ambani family who run a firm called Reliance Textiles (p64 on) and a report on the outcome of the court case regarding Mr.S.Paul's attempts to buy into Indian firms (p58-59). January 15, 1986.

Lall S.; The New Multinationals. The spread of third world enterprises. Wiley / IRM Series, J.Wiley and Sons, New York, 1983.

Chapter Ten

Results 4; Repertory Grid Individual Social Responsibility

10.0 Introduction

This final section of the results, reports on the way Indian managers, with and without MBAs construe individual social responsibility. The purpose for this is reiterated, here, in brief.

It is assumed that socially responsible behaviour of managers will lead to greater benefits to society from the modern industrial sectors. Such behaviour would be one way of providing society some returns on the investment made in higher education, particularly postgraduate management education. The literature provides several definitions of socially responsible behaviour and indeed the socio-economic models used by policy makers are based on certain assumed or predicted patterns of behaviour.

However, there is no empirical evidence on how managers actually behave in terms of social responsibility, or perhaps more important, how they might behave. The former would require a study based on observed behaviour, over time, whereas the latter requires information which will help with predicting future behaviour. It is this latter need which the data in this chapter attempts to meet and it does so through a study of how managers construe social responsibility. The data on the 53 pairs of MBAs and non-MBAs have been analysed in three main ways.

1. Using the principal component analysis to obtain the content of the constructs which the respondents used for describing social responsibility.
2. A close study of the computer plots of the mental maps of each individual, so that meaning could be ascribed to the respondents' grids, thereby building on the principal components.
3. A frequency count of the terms used in the principal components has been carried out, first using a computer database (DBase II), then manually. The count has been made of the meanings of the constructs, using the mental maps and the dichotomous terms, not just the dictionary meaning of the terms, which were also used in conjunction with a Thesaurus. The count has enabled a classification of the very large amount of data.

The process described above has provided the basis for formulating a table (10.0) of the constructs which were most frequently used to describe social responsibility. There did seem to be patterns to the description among the 53 pairs of respondents. All the respondents also had one or more of the constructs as part of their construct system. Individuals were unlikely to have a single word definition of a concept like social responsibility. Indeed, there is evidence to

suggest that the study has also contributed data to discuss the levels of cognitive complexity suggested by Mischel (1964). The table, below has been arranged in rank order of the most frequently occurring constructs. The analysis follows through each construct, defining the terms which made up the constructs, the relevance to social development and a comparison of MBAs and non MBAs. The findings also enable a prediction of the future behaviour of managers.

Table 10.0
Most frequently used constructs of social responsibility
+++++

Constructs	MBAs		non-MBAs	
	n	r1	n	r2

1. Interpersonal skills, at work, with family and friends	35	1	36	2
2. Integrity, Honesty	32	2	38	1
3. Care for people	23	3.5	30	3
4. Work ethic, reliability	23	3.5	22	4
5. Concern with intellectual development; self - actualisation	20	5	18	5
6. Egocentric concerns	19	6	11	6.5
7. Social responsibilities as generalisations and with low "meaning"	14	7	11	6.5
8. Helpfulness and consideration	13	8	10	8
9. Social responsibility social concerns	9	9	8	9

+++++ RHO = 0.975
+++++

10.1 Comparing MBAs and non MBAs social responsibility

The high correlation value of 0.975 is an interesting result, because it enables clear inferencess to be drawn about MBAs and non-MBAs and about postgraduate management education in India.

First, it is possible to say with confidence that there is no major differences between the ways MBAs and non-MBAs construe social responsibility. On three constructs, Integrity/honesty, work ethic and egocentric concerns, there are differences of frequency although in terms of rank order correlation the differences are minimised.

Secondly, one can make predictions on the way that these Indian managers will behave towards society.

Thirdly, and on the basis of similarity, it can be suggested that the IIMs have not succeeded in instilling social values, into their graduates, which are any different from the non-MBAs.

Fourthly, on the basis of the low frequency of MBAs with constructs oriented to social development (ranked 9) one can also infer that the IIMs have not succeeded in instilling social awareness into the graduates, thereby failing to meet one of their objectives. Each of these implications is discussed in the sections below;

10.2 MBAs and non MBAs are similar in the ways they construe social responsibility.

According to Bender (1976), people who have similar constructs about each other are likely to behave in similar ways to each other. In this study, however, the respondents have similar constructs about the way they will behave towards society. The finding suggests therefore, that people who are matched for equivalent levels of seniority have similar ways of construing social responsibility, irrespective of the form of education they went through. One can therefore refer to the two groups as "Indian managers" removing the distinction of MBAs and non MBAs from much of the analysis which follows. Although there is similarity across all nine construct groups, there is sufficient variety between the constructs, to suggest differences between the way some managers will behave towards society compared to others, based on the assumptions put forward in paragraph 3.0, the bibliography in chapter three and reiterated briefly in the paragraph below.

10.3 Predicting future socially responsible behaviour

All the economic theories, such as the dual economy model of Lewis (1966/8), production function of Kaldor (1972), theories of buyer behaviour from the discipline of marketing (Howard and Sheth, 1969), motivation theories as summarised in Handy (1976), rely on predicting people's behaviour on the basis of what they know to be the person's attitudes, beliefs and skills. Personal construct theory which has emerged from clinical psychology where it has been used for some thirty years as a counselling instrument helps the doctor to elicit a patient's constructs and thus attempts to predict future behaviour. With the explanation of the constructs, the doctor then helps the patient to modify the constructs as necessary. Smith (1980) too, has suggested that finding out about a person's mental map should enable us to better deal with the person, while Mischel (1964) has suggested that from explaining a person's construct one should be able to move towards the next stage and predict behaviour.

On the basis of this strong support for predicting socially responsible behaviour, the construct groups in table 10.0 are used to make predictions about the way Indian managers will behave towards society. Some existing empirical evidence is put forward in support of the predictions. All the constructs in the table above are now explained, through examples of the terms which were elicited with the grid during the interviews.

10.4 Interpersonal skills at work, with family and friends

This construct was used most frequently by both groups of respondents, to describe social responsibility. The types of terms used have been listed, avoiding repetition of the same words wherever possible, thereby distilling the vast number of constructs elicited into the list below. The "good" constructs have been used in the analysis, except where the "bad" polar opposite provides an example of how not to behave. Many of the people who have construed social responsibility have also used other terms, dealt with separately.

(Interpersonal Skills)

+++++ MBAs

- * Impartial lead by example
- * Will hurt to achieve, abuse influence
- * Unselfish in the sense of interpersonal skills
- * Supports talent, mutual growth, accepts strengths and weaknesses * Bring out more in people
- * Always finds faults, no interpersonal skills
- * Creative strengthen people around versus exploitative
- * High need for material success; motivator
- * Leadership guidance * Fairness approachability
- * Tolerance, treat people with respect versus aggression
- * Arrogance * Trample versus Fairness
- * Buck passing versus professional integrity.
- * Pushy over-confidence versus humility approachable
- * Manipulative, slimy, management skills
- * Gets on with people, open, listens, managerial skills and competence * Good at corporate politics
- * Friendly, dominant versus reserved and not dominant
- * Cunning, selfish, opportunist, give and take, charismatic * Businesslike, will trample
- * Cool aloof, not people oriented, creates defensive attitudes, exerts authority, nags versus approachable, sociable, gains co-operation, treats people well
- * Trample, abrasive versus know they need people and use them well * Ruthless, taskmaster * Likeable
- * Demonstrative of kindness versus curt and business like
- * Trample to achieve goals versus will not achieve goals due to others * Creates trouble vs. positive influence
- * Needs pushing, no self motivation, managerial skills

non MBAs

- * Blunt versus tactful * aggressive
- * Harmful to others, mean, creates trouble
- * Argumentative, inward looking versus courteous, hospitable
- * Engenders hostility versus positive influence
- * creates problems versus problem solver
- * will hurt to achieve goals * Brash
- * Backbiting vs. straight
- * Poor interpersonal skills, indecisive versus good leadership qualities
- * Tolerance * Nasty, will hurt, pushing
- * "Cut throat", strict disciplinarian, soft laissez faire
- * Sadistic
- * Taking vs. giving, independence encouraged, strictness, dogma, selflessness
- * Trample versus fairness, understanding of people
- * Blunt insensitive, dominating versus sensitive
- * Positive, friendly, concern for fellow workers
- * Bad treatment of people * Get job done without hurting
- * Gentle / Hard * Encourage / Discourage
- * Sense of humour * Creates discomfort
- * Exploitative / Co-operative * Courteous
- * Jealousy, easy going / positive use of power leadership
- * Comfort to others, considerate / possessive, excitable
- * Team work prevent people getting into trouble / buck passing
- * Can guide but not lead
- * Professional, task orientation / people orientation
- * Antisocial, violent, high need for power / professional excellence

+++++

There are evidently a vast number of ways of construing relationships with other people and these constructs have the most direct effect on the respondents as they have to do with people at work, home and among friends. The constructs would therefore channelize the way the respondents would anticipate relationships to progress. Since the "elements" comprised three parts; family, work and others the types of constructs which have emerged reflects the types of people they have to deal with, as well as more general descriptions of social behaviour.

The constructs make a contribution to an understanding of the way managers behave or describe interpersonal dealings, but they do not cover socially responsible behaviour in the sense of social development. Having constructs as the ones above would not be a sufficient condition for people to get involved in development. They might adjust the way they treat other people in terms of family and immediate others.

10.5 Integrity and honesty

This is the next most popular construct for describing social responsibility and is possibly the most convenient way of construing social responsibility or ethics. It is interesting that the respondents have found some 35 ways of describing integrity and honesty.

(Integrity)

+++++
MBAs

- | | |
|----------------------------|---|
| * Academic honesty | * Straightforward |
| * Integrity | * Trustworthy |
| * Hypocrisy | * Dishonest / Honest |
| * Evokes mistrust | * Fairness |
| * Unreliable / reliable | * Unscrupulous |
| * Unethical / ethical | * Principles / morals |
| * Basic decency | * professional integrity |
| * manipulative vs. honesty | * sincere |
| * crooked vs. honesty | * open, sincere |
| * Honesty, dependable | * Slimy calculative vs.
open integrity |

non-MBAs

- | | |
|--|------------------------------|
| * Untrusting | * Deceitful vs. dependable |
| * sycophancy flattery vs. out spoken | |
| * sincere will accept responsibility | |
| * Frank personally, maybe not professionally | |
| * Devious, corrupt vs. honesty | |
| * genuine | * sincerity to task & people |
| * sincere to employer | * straightforward, open mind |
| * Adult behaviour, positive upbringing | |
| * Hypocrisy, questionable integrity, devious
versus straightforward, honest and sincere | |
| * Down to earth, sincere, honest | |
| * Respected | |
- +++++

One respondent felt a conflict between personal and professional integrity, indicating a "consequentialist" form of ethics at work He felt the need to compromise, in his role as salesman, with the amount and nature of information he gave out about his organisation. Apart from this person's conflict, which is not unique, there appeared to be different forms of integrity expressed by the respondents such as in personal relationships, intellectual, towards ones employer, with a sense of purpose or objectives in life and reliability.

Constructs of integrity based on either pole of the dichotomous way of describing them (good or bad) are a useful indicator of how people might behave towards the

wider society. Good interpersonal relations, for example, do not in themselves help with social development, but having integrity can affect more people because, decisions on product quality, negotiations with employees, and so on would be affected by this way of construing. One might wish to predict therefore that people with integrity as part of their construct system are likely to be useful in a developmental sense, but again, this construct is not a sufficient condition to cause people to make choices favouring development

10.6 Caring and consideration for people

There were 23 MBAs and 30 non-MBAs who construed social responsibility in these terms, implying that non-MBAs are more likely to use this construct to make choices than are MBAs.

(Caring for People)

+++++ MBAs

- * Care for people
- * Fairness, genuine affection
- * Helpful, concern for people
- * warmth
- * Loving gentle
- * Compassion for people
- * Will use people, opportunist
- * Empathy towards people
- * Caring in a proactive sense
- * Totally callous
- * Inconsiderate / considerate
- * People oriented
- * Understand and care for others, service to others
- * Empathise, positive influence on people
- * Good "interaction" with people

non-MBAs

- * Harmful to others
- * Humane
- * Does not care at all, sadistic
- * Giving, sacrificing
- * Sensitive
- * Will not hurt
- * Affection
- * Sincerity to task and people
- * Gentle vs. Hard

+++++

These constructs are "a few degrees" removed from interpersonal skills in the sense of a movement along a scale. They guide people in the way they deal with others, rather than merely provide the skills for dealing with them. The constructs used by the respondents also suggest a wider concern than the immediate family, colleagues at work and friends. People with these constructs were likely to be involved in charities, helping subordinates through any problems, helping in the local community and indeed being involved in wider social development. People who had this construct were not necessarily involved in social service, but those who were had this construct.

One is tempted to conclude therefore that it is not possible for people to get involved in social development unless they have some form of concern for others and it is perhaps telling that there are fewer MBAs with this construct than non-MBAs. However, in terms of predicting future behaviour, the individuals with this construct are more likely to contribute to social development and the low frequency of the people who do may be an indication of the lack of opportunities for people to get involved in such work when they enter modern industrial environments. It is possible that with appropriate information and a suitable infrastructure these people might get involved, at least, on a part-time basis. Although concern for people is not a sufficient condition for involvement in social development, it does seem to be a necessary condition.

10.7 Work ethic

There were 23 MBAs and 22 non MBAs who construed social responsibility in over 30 terms of work ethic.

(Work Ethic)

++++
MBAs

- * Lazy / Hard working * Action oriented * Self confident
- * Line of least resistance / persistent
- * Content, laid back / ambition, hard driving,
- * High need for material success * Commitment to work
- * Objectivity * Professional, sense of duty
- * Prove self through merit and content
- * High / Low competence * Indecisive not capable
- * Flashy materialistic / conservative not materialistic
- * Status conscious, professional integrity, high standards
- * Get job done, aggressive career path, mediocrity,
- plateau, stability * Achieve objectives / mediocrity
- * Create something new, commitment to responsibility
- * Drive to attain something, own / organisation goals
- * Not develop organisational goals / helpfulness

non-MBAs

- * Need for achievement, dynamic * Materialism
- * Systematic * Pursue objectives * Task oriented
- * Professional excellence * Meritocracy
- * Practical, pushing * Commitment to hard work
- * Result oriented, no nonsense / tolerant
- * Seek success * Career centred / people oriented
- * Total dedication to job and organisation
- * Positive hard working / self centred arrogant
- * High / Low quality of work, honour commitment
- * Mediocrity non achievers /
- achievers organised disciplined

++++

The interpretation of hard work put on this construct exemplifies the "protestant work ethic", it is "good" for you. By doing your duty at work, diligently and rewarding yourself appropriately, you have met your obligation to society. These constructs are very much to do with modern industrial notions where there is plenty of work to do and hard work ensures productivity.

Here again, people in social development may work hard, but people who work hard are not necessarily in social development, therefore this construct, per se, is not particularly relevant to social development except in the sense that a country is not likely to make any form of progress unless people are willing to apply themselves to work. This latter requirement is not the meaning which the respondents put on the term, they were merely working hard through "self interest" and their constructs would be in accord with those policy makers who subscribe to the notion that working towards "self-interest" is all that is needed because such activity will create economic development and subsequent societal benefits.

10.8 Concern with intellectual development

This construct is confusing in many ways, because it seems to be, at the same time, a catch all and something of depth and value. An example of an intellectual application of social development would be Mahatma Gandhi. On the other hand there is much intellectual debate in most of the middle-class dining rooms around the world, contributing vastly to intellectual debate and little to social development. The difficulty with this construct therefore is to decide on whether the interpretation offered by the respondents are part of the former or latter description of intellectual contribution. In this case, the temptation is to see what the respondents are actually doing in their jobs before accepting the more favourable interpretation.

Only four of each of the MBAs and non-MBAs who have construed social responsibility in terms of development have also contributed to this construct. The majority of the 20 MBAs and 18 non-MBAs are not directly involved in development and may be construing social responsibility in an abstract sense, but of little direct relevance to social development. The constructs are described below and a brief analysis follows the list.

(Intellectual Development)

+++++ MBAs

- * Independence of thought vs. follow the leader
- * Seek breadth and depth of thought
- * Thinker vs. practical * Open vs. close minded
- * Search for excellence vs. shortsighted
- * High intellect, understanding, broad-minded
- * Secretive, not open, not intelligent vs. open minded, positive, intelligent and logical
- * Integrity of personality, intellect, problem solver
- * Clarity of thought, open to new ideas vs. traditional
- * Unorthodox, liberal socialist approach vs. shallow self centred * "value systems"
- * Philosophically highly developed, High intellectual commitment to work * Deeper understanding
- * High / Low achievement, larger than life goals
- * Lateral thinker, open, intellect, democratic
- * Uses intelligence vs. "slogging"
- * Rational, in "control"
- * High maturity, long term perspectives, respect for human values and does not expect things from others
- * Open to new ideas vs. resist change

non-MBAs

- * Intellect, creativity, depth maturity vs. low conceptual skills * Clear objectives & understanding
- * Firm will / wishy washy * Close / open minded
- * Impulsive short sighted vs. rational balanced
- * Understanding, maturity, depth, intellect, rational, vs. lack understanding, shallow mentality, emotional decisions, * Dedication to a cause
- * Shallow vs. achievement oriented * open minded
- * Listener, approachable, (thought processes)
- * Ideals and will stand up for them, Intellectual compassion and action, idealism
- * Depth of knowledge, philosophic, scholarly, well informed, simplicity as a way of life
- * Close minded, no sense of humour, no desire to learn or go on improving at work * Clear (broad) objectives
- * High maturity * Broad minded, open to new ideas
- * Positive use of power leadership, dynamic clear thinkers

+++++

Many of the constructs are stereotypic of Indian philosophic thought. These may provide an inner strength of character to people who would then apply themselves to social development. Perhaps some of India's progress can be attributed to constructs along intellectual, philosophic lines. Indeed a willingness to change and remain open to new ideas are also important to the development process,

although there is not a proactive sense to the descriptions used. One might suggest that if a person has a social development objective, it might be better if the person also has constructs of the types described above in order to avoid the risks of failure as a well meaning, but emotional or impulsive "do-gooder". The balance one has to draw with this construct has already been mentioned and it is to do with real application versus the dining-room application of intellect.

10.9 Egocentric

Most of the constructs in this section are the polar opposites to "concern for people" and "considerate". The most frequently used description is at the top. This section has been separated from "concern" because there are a few "egocentric" terms which are not polar opposites to any of the preceding categories.

(Egocentric Concerns)

++++
MBAs

- * Selfish / Unselfish / Selfless
- * Self centred / greedy / Ego / Businesslike
- * Self interest
- * "False" will do anything / Double standards of integrity
one which is personal the other professional
- * High / Low ego
- * Extroversion / Introversion
- * Own goals important
- * Selfishness / will hurt to achieve ends / or fair
- * Selfishness / manipulative / or open stand

non-MBAs

- * Mostly as above; selfish, self centred, High and Low ego.
- * Uncaring
- * Dedication / No dedication to organisation
- * High ego, not receptive to new ideas

++++

Concerns about self, contrasted with concerns about other people were an indication about interactions with people around the respondents rather than the wider society. Concern with self was used mainly as a root for a form of behaviour which the respondents described. These are shown above and demonstrate also that concern for self in the way described above is to do with the narrow sense of interactions with immediate others rather than with society.

10.10 Social responsibilities as generalisations.

This category of construct can create even greater confusion than intellectual development, because respondents are actually alluding to social development. However, they are general descriptions and may again be constructs which can lead to specific terms about social development or may remain at a generalised level.

(SR as Generalisations)

+++++ MBAs

- * Materialistic, greedy, and idealistic. Idealism was construed negatively to high intellect and practical and purposeful.
- * Respondent construed "practical" as negative with the opposite being "thinker and idealism"
- * Respondent said he would "like" to imbibe "socially responsible" constructs such as social awareness, honesty, care for people and value systems.
- * Opportunism versus straightforward, selfishness and unhelpful. * Opportunism, flashy materialism.
- * Dedication to a cause, not materialistic.
- * Benevolent despots, larger than life goals, fight for belief or cause. * Religious values.
- * Holding (or not) ideals. Strength of character.
- * Highly conscious of duty to family and close associates. Will perform and give help. * Idealism versus materialism. * Wider social objectives, dependable,

non MBAs

- * Theorists versus doers, realists. Help materially, positive help to build character.
- * Opportunism versus high moral standard.
- * Content, idealistic, honest will accept responsibility.
- * Social concerns, but with low score on component analysis. * Opportunism versus integrity
- * Dedication to a cause or organisation, versus self centred. * High materialism
- * Social involvement or commitment (through support for charities). No desire to learn, close minded versus open, humility willing to learn and improve self.
- * Caring for people, social concerns
- * Materialism, hypocrisy, can guide people but are not leaders versus straightforward, less materialistic, guidance through quality of leadership.

+++++

There do seem to be a large number of ways to generalise social responsibility, and the consequence of these generalisations may be a certain distancing from "social

responsibility". These may be terms which an individual can generate, but may not reflect ny propensity for action. In other words the person is "aware" of the issues but my not be interested in the application. The literature on social responsibility would have these terms as "whitewash" or mere "puffery".

They may however form the first stage in helping to teach people social responsibility in the developmental sense as the marginal effort required to move from this level to one of specific constructs may not be too great.

10.11 Helpfulness

The term helpful appears in every respondent's repertoire, the variations being with the leading or following statement in support of the term. Constructs are not repeated, but all those with different leading and following statements are reported below.

(Helpfulness and Consideration)

+++++ MBAs

- * Will not help unless some return
- * Help in the community * Very helpful
- * socially aware, helpful to everyone vs. selectively
- * Trustworthy, will actually help
- * Self help vs. will guide
- * Charismatic, helpful
- * Openly helpful
- * Helpful, helping, help appeared several times.

non-MBAs

- * Help, develop, listen * Helpful, able to guide
- * Open, helpful, impart knowledge, giving
- * Giving to others * Listen, guide, help

+++++

The constructs are a study in the different degrees of help a person is willing to provide, with or without returns. There were two kinds of help; intellectual where one listened, shared knowledge, guided someone through a decision and there is the practical kind of help which is doing things for and with someone in a physical sense. This latter kind of help may also incorporate some elements of the intellectual help, but the main component is practical. There were not many people who construed social responsibility in these terms. However, helpfulness can be construed on a scale, from helping in return for something to not expecting anything in return. It can also lie on a scale of helping people one is close to and society in general.

This construct requires an activity from the person doing it, and would be a necessary condition for being involved in social development, although not sufficient by itself.

10.12 Social responsibility and concerns

(Social Responsibility)

++++
MBAs

- * Apply knowledge for the benefit of others.
- * Professionalism with social responsibility.
Sets an example for others.
- * Socially aware and helpful in practical terms.
- * Wider social concerns, with issues and gets on with it.
- * Gandhian needs, simple, social awareness.
- * Liberal socialist approach, search for a cause and meaning beyond immediate self.
- * High social awareness, care for people.
- * Open to society, involved in social action.
- * Feeling of debt to society, will help if needed.

non-MBAs

- * Identify and pursue social problems, dedication to work and cause.
- * Loyalty / sincerity to organisation, sense of duty and concern for people.
- * Social awareness, willing to teach and help.
- * Sets an example, duty, obligation and people oriented.
- * Social concern on a wider basis.
- * Intellectual compassion and action. Ideals, will stand up for them.
- * Socially "aware". emphasis added by respondent.
- * Social concerns, agnostic, democracy, civil rights and peace.

++++

Four out of the nine respondents were paired, reinforcing the strength of the correlation and further suggesting that the IIMs cannot be isolated as a source of socially responsible constructs, although two MBAs stated that they had been "inspired" by one of the professors, the late Dr. Ravi Mathai. This person was mentioned very often by a number of people, so an extract of an obituary has been included in appendix 10.A.

The constructs above appear to be at a fairly high level of abstraction, more to do with issues than with people and are likely to lead to decisions which are beneficial to a wider segment of society. All the Indian managers from whom these constructs were elicited expressed deep commitments to social development and some people had selected career paths

in order to meet this commitment. A brief summary of the individuals is given below;

Among the MBAs, one was a lecturer at the Indian Institute of Management, another worked for the Indian Space Research Organisation in order to be in a field where he was doing "service for the country". Another MBA had chosen to work for a firm which was in agro - chemicals, and fertilisers as he was an agriculture graduate who felt strongly about rural development.

A fourth person, who has already been mentioned, works full time with voluntary agencies. The wife of this person, also an MBA, works in the public sector and feels she is making a contribution to this sector, but is happy to play a supportive role to her husband and to this extent she too is involved in rural development. One of the respondents, working for a multinational, is involved personally with various social issues, so his commitment is not at a professional level. All the remaining three are directors of firms, one who is involved socially at a local level through encouraging children in the arts, other forms of social service and professional associations. The second director is an independent consultant who works on assignments in the government sector, with occasional work on rural projects through the Planning Commission of India.

The last respondent, believes that social responsibility is for politicians and not for managers and to this extent he is involved in politics, both professionally and personally. His commitment to social development has therefore been separated from his professional development and to a certain extent there is a conflict, as explained in paragraph 8.X above. The inclusion of this respondent in this category is made on the basis of his constructs and the fact that he is an entrepreneur who has created over 500 jobs and exemplifies the type of person the IIMs hope to create through their programmes but apparently do not succeed in doing to any great extent.

The non-MBAs were made up of two professors at the Indian Institute of Management, one of whom was working in the energy sector and was conscious of conditions in India's coal mines. He was attempting to make his contribution to this sector. The third respondent was matched with the MBA working in Space research and he too held deep commitments to India's development. The fourth person in this group worked for a public sector organisation and helped his subordinates through training and development. Three respondents were involved with social issues, at a private level and one of them wanted to move into a teaching role in order to make his contribution to development.

The last person in this group is also matched, to the person aiding the voluntary agencies. He has been in rural development for over three decades, helping with land resettlement programmes for the rural poor.

All the respondents in this group who were not already earning at the top of the private sector income scales could do so as they were qualified and experienced to get the kinds of jobs needed for high incomes. This group which contains individuals who have consciously given up high incomes in order to contribute to social development may be positioned at the top of a scale in terms of their current and future contributions to social development.

10.13 Variety of constructs used by respondents

Although each of the constructs has been described separately, the respondents often used more than one of the constructs to describe social responsibility. The actual frequency and the average for the two groups is given in table 10.1 below.

Table 10.1
Number of constructs used by respondents to describe SR
+++++

No. of constructs used by respondents	MBAs	non MBAs
1	0	1
2	13	11
3	14	18
4	17	15
5	7	6
6	2	2
	----	----
Mean	3.45	3.37

+++++ There is no significant difference between the two groups, with a z value of 0.29 implies no difference between MBAs and non-MBAs. +++++

Respondents appear to have between 2 and 4 ways of describing social responsibility and as demonstrated in the data above, the most frequently occurring constructs were; interpersonal skills, integrity, care for others and work ethic, implying that most respondents had combinations of these four constructs to describe social responsibility.

10.14 Proportion of thoughts about social responsibility explained by constructs

In addition to the variety of ways of defining social responsibility, the INGRID program provides percentage values of the principal components which are used to interpret the diversity or strength of feeling which the respondents have towards the constructs. The organisation corollary, which states that people arrange their thoughts in ordinal relationships is a fundamental step to understanding principal components. On the basis of the first two components, for example, it is possible to say what proportion of the person's thoughts on a given subject are covered by the constructs he or she has used to describe the elements.

The first two components might help to explain, say 30% of the person's "construction" or perhaps 80%. The concept of principal components has already been explained in paragraph 6.23 and 9.0. The data below sets out the average value of principal components for MBAs and non-MBAs, for both the individual social responsibilities covered in this chapter, and to contrast the findings with provided constructs, the figures for the corporate responsibilities are also given.

Table 10.2
Average value of the first two components

+++++					
		MBAs		non-MBAs	
		mean	s.d.	mean	s.d.

Individual					
own constructs	A	81	7.8	85	6.2
Corporate					
provided constructs	B	69	6.4	71	7.4
+++++					
MBA,	Mean of A tested with mean of B; z = 8.57.				
non MBA,	ditto z = 10.14				
Own constructs, mean of MBA tested with					
mean of non MBA.....		z = 2.93			
Provided constructs, ditto.....		z = 1.42			
+++++					

Both MBAs and non-MBAs have high percentage values for the constructs they have used in describing individual social responsibility. The average suggests that over 80% of the respondents' thoughts on the subject of social responsibility is explained by the constructs discussed in table 10.0. There are two basic messages in this important figure. First, it provides empirical evidence of how Indian managers construe social responsibility and secondly, by implication, it tells us what constructs are not used in

describing social responsibility in the sense of social development, other than for the few people described in paragraph 10.12.

The significance of the data in table 10.2 above is demonstrated by the z values (Cass,1973,p85). Comparing MBAs with non MBAs, it seems that there is a significant difference between the two groups in the way they organise their construing of individual social responsibility where the MBAs have 81 % and the non-MBAs 85% of their thought explained by the constructs elicited. However, this is a small difference and one can only imply that non-MBAs have a greater concentration of their thoughts explained by the constructs compared to the MBAs. Further, although there is no significant difference in the data in table 10.1, the non-MBAs did seem to use a fractionally lower number of constructs compared to the MBAs.

The combination of these two findings supports the notion that MBAs may be more cognitively complex than non-MBAs, due perhaps, to the wider range of training they have received. It does not of course make them any more socially responsible.

There is a secondary aspect to the data which can be discussed at this stage. It has been suggested in repertory grid literature that provided constructs and own constructs have different levels of meaning to the respondent, as the ownership is diluted in one and strengthened in the other. There is clear evidence of this suggestion in the data above. The mean figures for the provided constructs are significantly lower than for own constructs, clearly demonstrating that individuals attach more "meaning" to own constructs than they do to provided constructs. However, the mean figures for provided constructs are not low as they help to explain over two thirds of the respondents thoughts on corporate social responsibility. Perhaps this is the real acid test, in that if the respondents had attached low "meaning" with principal component values of 30% to 40% one could not draw any conclusions on the results of provided constructs, but in this study the respondents have attached "meaning" to the provided constructs which in turn help to explain corporate social responsibility..

Since the constructs have now been defined, it is possible to analyse the social responsibility of respondents in terms of selected forms of classification used in earlier chapters. There have been suggestions that people who work in the public sectors are more socially responsible than people working in the private sectors. There is then a split between those in the private indigenous firms and the multinationals. The study on career orientations provided a classification of people who scored high on "service and dedication to a cause". It was also suggested that, if high

remuneration was the only motive, then all MBAs should be in the multinationals and the private Indian firms where salaries are higher. However, there were a few who chose to work in the public sectors for lower rewards. These people are thought to be making a "sacrifice" in monetary terms in order to achieve some other objective.

It must be stressed at this point that working in the public sector is not necessarily a "socially responsible" thing to do because the organisation may not be contributing positively to the development of the country. However, bearing in mind that the people who work in this sector earn less than their counterparts in the private sector the individuals themselves are making a contribution to society in economic terms, in the sense that "society" owns these public sector organisations and the managers are contributing their skills at less than "free market" prices. Although they work for the public sector, the reason for doing so may have little to do with service and dedication to a cause or any kind of financial sacrifice and the analysis below will help to determine this question.

10.15 Constructs of people in the public sector

There were ten MBAs in the public sector, three of whom had described social responsibility in terms of development. The career orientations of these people were;

person A : service and dedication and variety.

person B : Autonomy and identity.

person C : Variety and managerial, with service.

The first and third person appear to have made choices based on social responsibility, whereas person B is in the public sector, as a professor at the IIM in Bangalore, because he gets autonomy in the job and is able to feel a sense of identity with a prestigious institution and occupation. The social relevance is a by-product. The other seven respondents had the following constructs and career orientations:

+++++
Person Constructs,as described in table 10.0

Table with 11 columns: Career Orient., 1 In, 2 Ho, 3 Ca, 4 We, 5 Int, 6 Ego, 7 Gen, 8 Help, 9 SR. Rows d, e, f, g, h, i, j show 'x' marks for various constructs.

+++++

It is clear from the data above that the most frequent description of social responsibility with this group is also interpersonal skills and integrity / honesty. These are not sufficient conditions to choose to work in the public sector. However, the reason for working in the public sector may be due to the desire for geographic stability as three respondents have indicated. Underlying this need, for all three respondents, are elderly dependents. One of the managerially anchored respondents also had a strong geographic security need, with service and dedication in third rank because he wanted to be of "significance to society". His obligations to raising a family precluded him from direct developmental work, but by working for the public sector he felt he was "doing his bit". The four constructs of this person were integrity, care for others, work ethic and intellectual development.

It would seem that at least three out of ten MBAs had made career choices on the basis of a sense of service and dedication to society. This number is actually 3 out of the total of 53 MBAs, whose motivation to work can be ascribed to this construct.

This finding may be related to element two of the role sheet on the corporate grid in the previous chapter. This element asked the respondents to name the organisation they would next most like to work for. The responses for the ten MBAs in the public sector are as follows:

Table with 2 columns: Organisation, Count. Rows: United Nations (1), United Nations Development Programme (UNDP) (1), World Bank (3), Hindustan Lever (2), Oil and Natural Gas Corporation (1), DCM Toyota (1), Mother Theresa (1).

Of the three people who appear to have selected the public sector through a sense of service, one selected Mother Theresa's organisation, another chose DCM Toyota largely for the vigorous environment it would provide being a newly established organisation and the third person selected Hindustan Lever as it offered scope for managerial careers while being a socially responsible organisation. The majority of people in the public sector are therefore not working in that sector through any sense of service and dedication and it would be wrong to suggest that MBAs who work in the public sector are "socially responsible" compared to MBAs who work in other sectors.

The social responsibility which is ascribed to MBAs who work in the public sector must be recognised for being a by-product and since it is not possible to say more about their contribution than that they are available to the public sector at under "free-market" price that is the limit of their "social relevance". The way they construe social responsibility and the career orientations they have, indeed their social origins and attitudes and social activities are not very different to MBAs in the private sector. However, there may be differences with non MBAs and this is covered next.

There were twelve non-MBAs in the public sector, of whom four construed social responsibility in terms of social development. The career orientations of these four people were;

person A: Service and dedication
person B: Managerial, with service in second rank
person C: Managerial
person D: Service and dedication

Persons A and B are in the public sector through a sense of service and dedication. Person C interpreted service and dedication in a narrow sense of helping colleagues so he perceived his career choices through other criteria. Although person D has service and dedication to a cause as a career orientation and has construed social responsibility in a developmental sense, the assessment of this researcher is that this respondent, as a professor at the IIM had the sophistication to construe in broad terms and as an academic he was making his contribution to society, but on a theoretical scale of low to high degrees of social responsibility, this person would not be over midpoint.

The balance of the non-MBAs need not be analysed in the same detail as the MBAs, as there was a 0.975 correlation between the two groups, so it is sufficient to say that in this group, too, there were no more than 3 out of 53 respondents working in the public sector through a desire to be socially

relevant. Their choices of the organisation they would next most like to work for is revealing.

Another public sector or government department	7
Tata Export	1
Scindia Steamship	1
Tata Consultancy Services	1
Brooke Bond	1
Hindustan Lever	1

Only two out of twelve of the non-MBAs have selected multinationals as second organisations compared to eight out of ten for the MBAs. Perhaps the IIMs' have contributed to widening the range of organisations with which their graduates have become familiar while the non MBAs have continued to select organisations from a narrower range of familiarity. This finding helps to support the "experience corollary" in personal construct theory, which has it that peoples' constructions are coloured by the experiences which they have. In other words, the MBAs having received greater experience of multinationals through case studies and the placement service at the IIMs are more familiar with the multinationals and have therefore selected them as their second choice organisation.

Recapitulating the finding from the previous chapter, where it was found that MBAs' principal component was high or low profit motive, while the non MBAs had benefits to India vs. benefits go out suggests that the MBAs have a greater concern for managerial professions than the sectors they work in, particularly emphasised by eight out of ten MBAs in the public sector wanting to go into multinationals, albeit five of them engaged in development work. The reasons given for selecting these five organisations was that they offered intellectual challenge, were doing good work and would offer accelerated promotion on completion of a tour of duty and again, no one mentioned that they would earn some ten to fifteen times their current salaries !

10.16 Analysis of the elements used by the respondents to generate the constructs used for defining social responsibility

The understanding of the constructs discussed above in a variety of ways would be enhanced by an analysis of the elements which were used for eliciting the constructs. The actual role sheet is included in Appendix 6.E. The computer program used for this part of the analysis is PREFAN. This program aligns the grids by elements, therefore producing a general picture of the group as a whole. The groups have been separated as MBAs and non MBAs in the analyses below.

Table 10.3

% of total variation

+++++

Element		MBA		non MBA	
		r1		r2	

1.	Self	6.13	8	6.72	8
2.	Col. at work like	7.21	7	8.28	6
3.	Person dislike	22.38	2	21.04	2
4.	Father	7.94	5	8.93	5
5.	Teacher	7.25	6	7.96	7
6.	Colleague, ambitious	5.40	9	6.03	9
7.	Mother	9.48	3	9.26	4
8.	Respected role model	8.83	4	10.22	3
9.	Dislike, disrespect	25.37	1	21.56	1

+++++

RHO = 0.96

+++++

The level of discrimination in the scale is an indication of the level of uniformity or diversity with which people construe the elements. There are two particular elements which have a strikingly higher variation than any other element;

Element 3:- A colleague / or business contact for whom you have no respect.

Element 9:- A person who symbolises to you all that is negative, uncaring, selfish etc.,

Element 3 was a milder version compared to element 9 and since respondents were not allowed to repeat any of the names, the grid contained two "negative" role elements. It would seem that both of these evoked strong constructs from the respondents as the percentage variation is so much higher. In contrast, element 6 has a much lower variation in both groups. This is "a colleague (peer/boss/subordinate) you feel is a hard worker, ambitious and will reach his / her career objectives". Since the uniformity or diversity being measured in this index is that of the scores being given by the respondents to each element against each construct the low scores for this element implies that most people gave fairly uniform ratings to this element and it did not contribute much to the eliciting of constructs.

The data also reveals a high correlation between the two groups, the rho value being 0.96. This implies that all the elements "meant" the same thing to all the respondents and that the roles were therefore consistent in what they meant to them and have elicited constructs on the basis of the individuality rather than through any possible interference of the grid on the respondents construing. The consistency

of the grid is supported by the fact that both groups elicited nine major groupings of constructs from individually generating around 480 pairs of constructs. The diversity of constructs found within each construct group clearly demonstrates that people were eliciting their own constructs and not necessarily simply converting the elements on the role sheet into constructs.

The implication is that the variety of constructs elicited supports the individuality corollary which suggests that every person has his or her own way of construing. Even the principal component based constructs in the tables above supports this corollary. Further analysis of every grid would reinforce the statement within the corollary. In terms of the social responsibility issue being examined in this study, one can be reasonably satisfied that the greatest diversity of constructs have been elicited from the nine elements in order to classify them into the construct groups above and thereby offer definitions of social responsibility based on empirical evidence.

The elements can be further analysed through the Prefan program, to examine the distances between them, thereby pointing to those elements which have played the greatest role in generating the constructs. These have been analysed into a "mental map" illustration below;

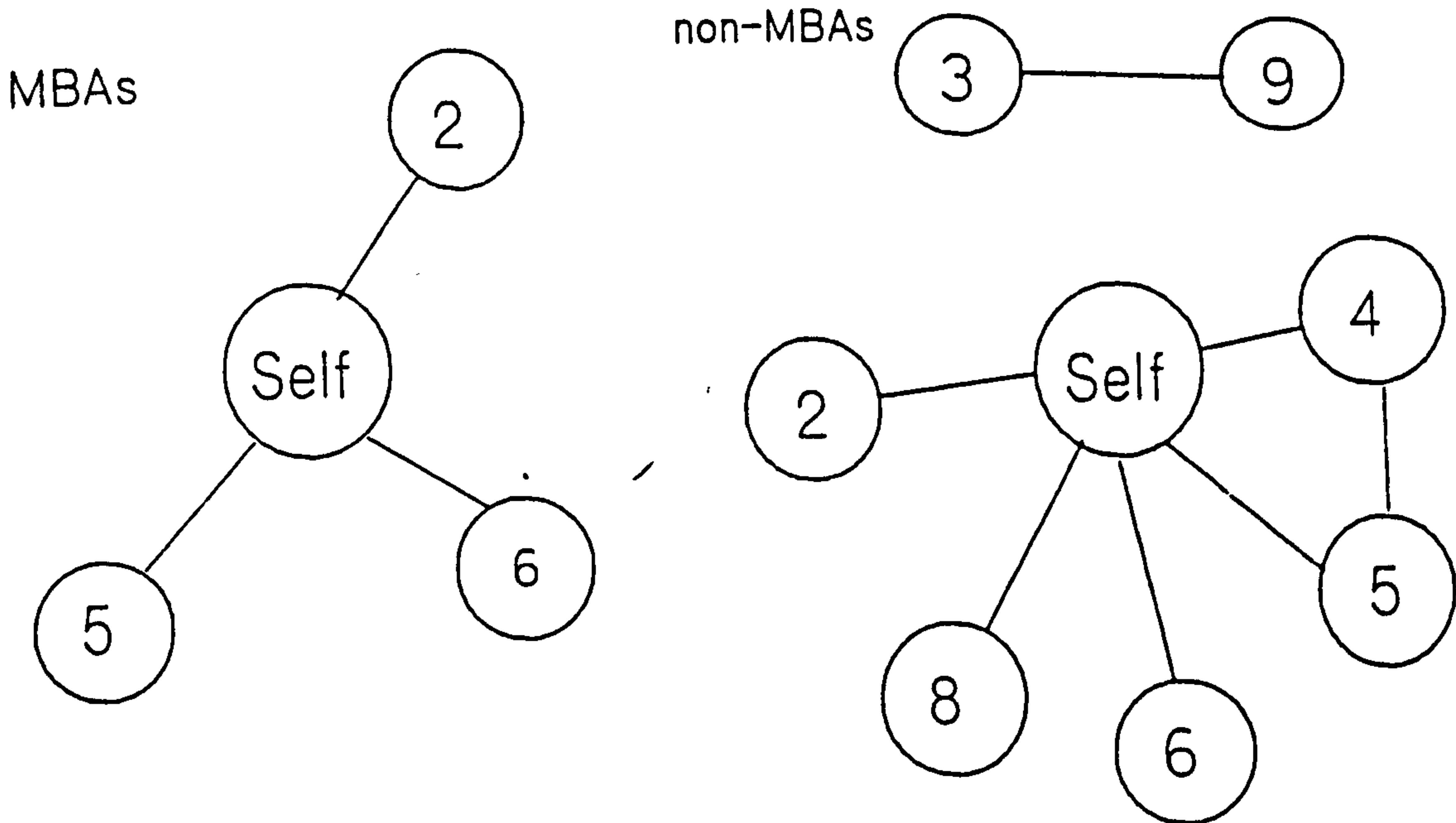
10.17 Distances between elements

The Prefan program provides a measure to locate elements relative to each other, within the concept of a mental map. The distances therefore help to plot the elements into clusters by using a "distance" under which elements are thought to be close to each other. The distance used in this analysis is 0.699, below which the elements are deemed to have clustered together. The person of interest to this study, the respondent has been measured relative to other roles and the "maps" of MBAs and non-MBAs is given below. It seems fairly clear that both groups have completely different clusters.

The MBAs have clustered self with a respected colleague (element 2), a teacher (element 5) and an ambitious colleague (element 6) which represents the work environment in the main, and if the teacher is included it includes a managerial professional environment in particular as the teacher in the case of the MBAs was someone from the IIMs. The non-MBAs on the other hand have a different cluster.

The non-MBAs appear to have all the positive role elements clustered to self, except for "mother" and it can be inferred that they have a wider range of roles to which they feel allied in forming their self concept of social responsibility. The implication of the finding that MBAs

have drawn on a narrower professional managerial set of role elements for their constructs, while the non MBAs have a wider set is that the IIMs' influence could be restricting or focusing the graduates' orientation into this particular environment not only for their career aspirations but also as sources of attitude, beliefs and skills.



There is evidence from this study to support the notion of a narrowing of attitudes towards the modern industrial sectors, particularly with the MBAs with the result that few have any constructs related to social development. The full implications are discussed in the concluding chapter, but the final section now relates the findings in this chapter to personal construct theory in terms of social responsibility .

10.17 Conclusions

The fundamental postulate suggests that a person's psychological processes are channelized by the way he anticipates events. This has been interpreted to mean that if we can discover the mental map of a person we should be in a better position to understand and therefore predict future "anticipations" of the individual. It would seem that

in general terms the psychological processes of the Indian manager's social responsibility were oriented towards interpersonal skills, integrity, caring for people immediately around "self" and work ethic. These processes are likely to guide the Indian manager in a narrow sense of dealing with people and events around him. The processes omit constructs of social development, except in a few and it is suggested, therefore, that not many will make choices based on such considerations.

The significance of the rather narrow range of constructs must be viewed in the context of how the Indian manager perceives the role of industry in society. In the main they feel it should be modern, incorporating high levels of imported technology and tend towards capital intensive production methods. These constructs would also support the view that government policies such as capital allowances, subsidised interest rates and trade union efforts and market imperfections means it is "better" business to be responsive to the environment, thus maintaining a successful business, from which emanate economic development and social benefits.

However, this "free-market" assertion of self-interest has been rejected by economists (paragraph 1.12) and recapitulating the issue here in the context of the managers' constructs helps to illustrate their preference for economic growth and their lack of support for social development.

The implication of combining these two aspects of the way Indian managers construe social responsibility is an indication of their being guided by an elite structure which is unlikely to make decisions which favour social development in the widest sense. The corollaries of personal construct theory shed additional light on this position and are considered below.

Construction corollary.

The respondents "see" patterns repeating from the past in different ways. First, the element distances which were discussed in paragraph 10.16 are an indication that important "others" have guided the respondents constructs of social responsibility. Secondly, the MBAs are taught on the basis of case studies during their two years and the stated objective of this method of teaching is that graduates should be able to see patterns which they can recognise and apply to future work environments. Further the effect of the IIM is noticeable in terms of the types of organisations the MBAs prefer to work for and the elements which have guided them in their construct elicitation.

Individuality corollary.

It was very clear from the data collected that every individual had his or her own idiosyncratic view of social responsibility, because the elements were actually people whom the respondents knew and every individual's elements were made up of different people. Since, for example, no single respondent had a brother or sister among the other respondents, all 106 mothers in the study were different so each individual had his or her own way of construing "mother". The effect of this corollary on personal construct theory and indeed repertory grid technique has already been described above, as opening a "Pandora's box", because each respondent had nine constructs which were made up of short phrases rather than single words, thereby requiring analysis of 954 constructs. However, in order to achieve some meaningful results the constructs have been grouped together with the help of the next corollary.

Organisation corollary

Since people order their thoughts in ordinal relationships, the data from the grid could be calculated to draw out the principal components for each person's thoughts on the subject of social responsibility. The concept allows for a mental map to be drawn for each person, so that the elements, which are the objects of the thoughts can be related to the thoughts according to some prioritisation. The components can therefore be drawn out in proportions of a person's thoughts which are explained by certain constructs. For example, the first component might explain 60% of the constructs, while component two might explain 30% and other components would explain the balance of a person's thoughts in descending order up to 100% of the thoughts being explained. Since the first two components have accounted for around 80% of the respondents' thoughts on social responsibility, this helped to focus attention on a much smaller part of "pandora's box".

Dichotomy corollary

The richness of the definitions of social responsibility elicited from the respondents has been gained through this corollary, which suggests that people have dichotomous ways of construing. The dichotomies are not so much logical opposites, as alternative ways of construing. Further the repertory grid technique has been based on this dichotomy. One example might suffice to illustrate this point. The opposite word to the term "selfish" would be "not selfish", however this term was also construed as "unselfish", "selfless", "sacrificing" each having a slightly different meaning from the straightforward opposite.

Choice corollary

This corollary covers the notion of "definition" and "extension" of the construct systems of the person. In the first case, a person has to make incremental changes to his construct systems to cope with change as he is basically familiar with the events around him. In the second case, a person would have to make a radical change to the construct system because certain events being construed have not been dealt with before or are poorly understood. The findings of this study would appear to support both the notions of this corollary, one by implication and one explicitly.

The low frequency of respondents able to define social responsibility in terms of social development means that this is a concept which has not been dealt with before and is possibly poorly understood. The implication is that the IIMs and indeed the higher education system in India are not creating a deeper understanding of the concepts of social responsibility among people who have chosen to work in the modern industrial segments of India. In addition to this explicit shortfall of constructs of social responsibility is the fact that the Indian managers are largely from the upper income groups of Indian society. They also proceed to work in organisations which provide high incomes, so the life-style expectations are moving upward as the respondents experience upward social mobility, requiring only incremental changes to the construct system which governs life-style.

Range corollary

This corollary extends the notion of definition and extension. The major application is in the design and application of the repertory grid, where elements may be outside the "range of convenience". If, for example a respondent elicits the construct "deep concern and love for me" as a result of three elements which include the parents and a close friend. When the respondent has to rate the elements in the grid this construct may not make sense for an element such as "a subordinate at work whom I dislike". There were very few instances where respondents experienced this problem.

Experience corollary

Constructs are thought to vary with successive replications of events. This aspect has been covered in the section on element distances, as MBAs appear to have narrowed their focus to people in a professional managerial environment and their choices of organisations they would most like to work for also appear to be guided by their experiences at the Indian Institutes of Management. In the narrow sense of wanting to have trained professional managers for the

modernisation of the country, the IIMs do appear to have contributed to the appropriate construct systems, either through the case studies or by reinforcing expectations which the graduates have even before they came to the IIMs.

The study on career orientations of twenty five second year students illustrated this point as many of them had a managerial career orientation, although Schein (1978) has asserted that people cannot form anchors until they have experienced work for some time. Although the twenty five graduates may not as yet have formed anchors, they did have strong orientations, or stereotype self concepts about a career in management. Further, it was observed that students at the IIM in Bangalore protested against social involvement projects because these had no relevance to and provided no experience for work and life in the modern industrial sectors, where the students expected placement.

Modulation corollary

The amount of change an individual can cope with is governed by the permeability of the construct system. The modernisation of a country requires changes and people who have to live within this system need to have constructs which are permeable in the sense of being able to assimilate new constructs. In the area of social responsibility, there is apparently no difference between the MBAs and the non MBAs as they have both construed social responsibility in 2 to 4 different ways. The capacity to change this construct system is therefore the same for both groups. As one respondent put it; "one has to be capable of a paradigmatic shift in order to go from working in the modern sector to working in social development". This particular respondent had made the shift but his point is illustrative of the possible gulf which exists between the needs for modernisation and social development in terms of the constructs which people need to have.

The protest of students, already referred to above, may also be illustrative of a feeling of threat which the graduates experience as they have to cope with something they have not understood and feel that their core constructs about working in the modern sector is being challenged by the introduction of social involvement projects.

Fragmentation corollary

The need to observe the implications of this corollary, which is that it is not possible to understand or predict a person's behaviour from seeing the past behaviour unless one has a grasp of their superordinate constructs can be met by using a diverse range of data collection instruments. Although Kelly would have frowned on what he called "accumulative fragmentalism", it is not possible to gather a

feel for the entire "person" unless one collects several fragments of data about the person. It is from the diverse nature of the constructs and elements that one is able to classify social responsibility in terms of the nine categories, these being the superordinate constructs of the MBAs and non-MBAs.

Commonality Corollary

As mentioned above, the very high correlation coefficient of the most frequently used constructs is a clear indication that the MBAs and non-MBAs construe social responsibility in similar ways. Although every respondent had an individual way of eliciting the constructs, due to the uniqueness of the elements and their own past experiences, the aggregate of the constructs have resulted in similarities between the groups, although there are variations between the constructs. The next stage of commonality is that there are nine groups of constructs defining social responsibility and each has a frequency count, implying that some Indian managers construe social responsibility in those particular terms. There are for example 9 MBAs and 8 non MBAs who construe social responsibility in terms of development, implying that they construe in similar terms with respect to development.

The main significance of this corollary is that MBAs are not different from non MBAs in the way they construe social responsibility, so the IIMs have failed in creating any differences in this area, although they do seem to have contributed to the MBAs self image and constructs about working in the modern sector.

Sociality corollary

This is a convenient corollary with which to end this section of conclusions. It states that people can play a role in the social processes which involve other people if one can understand the constructs of the other person. This means that the Indian manager can play a role in the social processes of the poor if "he" can understand the construct system of that person. It will be recalled that the IIM in Bangalore attempted to introduce the MBAs to the "social involvement project" and did not succeed. They had intended to provide the "managers of the future" with an insight into social problems of the poor, so that decisions and choices which the MBAs would make in the future may be guided by an appreciation of some of the problems.

The implication of this corollary is that Indian managers need to have an understanding of the constructs of the poor in order to play a role in their social development, but it would seem from the constructs that very few managers have

such constructs, so that the vast majority will not be able to play a role in the social development of the country.

The next chapter takes up this point and makes recommendations based on the findings in all the four results chapter, in the light of the objectives which were established in chapter five.

References

- Cass T.; Statistical Methods in Management 1, Cassell, London, 1973 (sixth impression, April 1982)
- Handy C.; Understanding Organisations. Penguin Books, 1976.
- Howard A. John and Jagdish N. Sheth.; The theory of buyer behaviour. John Wiley and Sons, New York, 1969.
- Kaldor N.; The Irrelevance of equilibrium economics. Economic Journal, p1237-1255, vol. 82, 1972.
- Lewis A.; Development Planning. The Essentials of economic Policy, Allen Unwin, 1966/1968.
- Smith M.; Applications and Uses of Repertory Grids in Management Education in Advances in Management Education. (Eds.) John Beck and Charles Cox, J.Wiley and Sons, 1980.

Chapter Eleven

Summary of results and discussions

11.0 Introduction

This concluding chapter comprises three areas of discussion. First, the methodology of personal construct theory and repertory grid are considered, because of the contribution to this study and the extension of construct theory to new areas of research in management. Secondly, the study has contributed an empirical base for defining social responsibility, therefore a comparison is drawn with another study, with suggestions for future research. Finally, in the light of the methodology and definitions of social responsibility, the superordinate objective of the social relevance of postgraduate management education in India is considered and some inferences are drawn.

In view of the originality of this study, there are no other studies with which one can compare the results on social relevance. Further, there are some extraneous factors, such as sample selection of both MBAs and the control group of non-MBAs and the "snap shot" nature of the study rather than it's being longitudinal which mean that the findings cannot be stated as providing conclusive evidence on the social relevance of postgraduate management education. However, one can draw strong inferences and invite further research in several areas, perhaps by the IIMs.

11.1 Personal Construct Theory and Repertory Grid

The framework for research and the analysis of results has been provided by construct theory and repertory grid technique. Here, an evaluation of both aspects is provided, using this study as the background. The lessons which have been learnt, with respect to future research, are discussed.

The theory comprises a fundamental postulate, eleven corollaries and provides descriptions and classifications for the different types of constructs. It also provides for an analysis or understanding of emotional responses. It is, however, a very particular theory as it has its roots in clinical psychology and moving the theory and the grid technology into areas of management research need to take the origins of the theory into account.

Kelly used the theory to explain behaviour by understanding the way people construed the world around them. From explanation, it is suggested that one can move to prediction, due to the notion of "anticipation" which is found in the theory. However, the transfer from explanation to prediction is not automatic, so management research designed to predict future behaviour can use construct theory to enrich the study but would need to exercise discretion in drawing firm conclusive predictions. This aspect of construct theory is not dissimilar to the model of perceptions which are put forward in organisation behaviour

literature (Buchannan and Huyzinski, 1985) where people are thought to "perceive" others' attitudes and actions and thereby form their own future behaviour in ways in which they perceive reality to be.

Within the body of psychology, there is a debate about the value of construct theory and repertory grid, particularly as there seems to be a shift in paradigm which Kelly has introduced. On the whole, criticism has been weak or perhaps supporters of the theory have been louder in their support. Moving across to management, there has been no real evaluation of construct theory and repertory grid. The former has not yet made it's way into management research and the latter is merely used for mental maps of respondents, or parts of the technique are used to elicit "constructs" which are then used for the design of conventional questionnaires.

Even this research, being one of the first to use the theory and the grid in the same study can be accused of relying too much on the clinical psychologists who support construct theory, but since there are no other evaluative studies which may be referred to, future researchers are invited to take up construct theory and compare its relevance and applicability with other theories in management research. For example, one could take various motivation theories, notions of leadership and so on and assess the results of these with explanations from construct theory and the grid.

11.2 The Fundamental Postulate

The fundamental postulate provides a framework for the research, because it is rooted in the concept of "constructive alternativism". It is particularly helpful to the discussion of this study as it allows the researcher to discuss the superordinate objective of this study by asking "what if we construe management graduates as less socially relevant?".

However, researchers are not encouraged to take up the fundamental postulate itself for evaluative study within the management context. Such a task is best left to clinical psychologists who, it would seem from the literature, still have a major task ahead of them. The corollaries of construct theory are discussed next. Some of these are of particular benefit to management research as they can be evaluated and used in practical terms, whereas the strength of the fundamental postulate is in providing a framework for research.

11.3 The eleven corollaries

It would seem that the eleven corollaries can be used in management research if they are construed to form three groups. Due to the flexibility of the theory, the corollaries may shift from one group to another, although certain corollaries are best suited to particular applications. In this study, the corollaries appear to cluster together in the following ways:

1. Research design and data collection

Individuality,
Dichotomy,
Range and
Fragmentation.

2. Data analysis and exploration

Organisation,
Modulation and
Commonality

3. Explanation of results

Choice,
Construction,
Experience and
Sociality.

Each of the corollaries are discussed briefly, in relation to the three groups above.

11.4 Research design and data collection

Individuality corollary suggests that each individual has an idiosyncratic way of construing the world. Therefore, by allowing the person to elicit "own" elements and "own" constructs, the data can be enriched. It can be used in one to one situations, for example with career counselling or attitudes to particular situations. In studies where one is looking for common patterns at the end of the study, this corollary, in some senses, sets the broadest boundaries of a study within which one can look for patterns of similarity. The large variety and number of constructs used by the 106 managers lends support to this corollary (Tables in chapter 10). The decision which a researcher must make, bearing this corollary in mind, is the nature and size of the sample, because a large sample can result in such a diverse range of constructs that analysis can become too complex and time consuming.

Dichotomy corollary holds the key to grid design because of its suggestion that people construe in dichotomous terms. Grid technique is based on the process which requires the respondent to describe a similarity between a pair of elements while at the same time contrasting them with a third, single element. This process lead to the diversity of constructs for defining social responsibility. It was also interesting that the contrasts for similar terms varied. For example, the construct "integrity" was contrasted by such terms as "dishonest" and "lack of moral fibre" by the respondents.

Attempting a definition of social responsibility was a highly complex task for the respondents and it became evident during the interviews that respondents did have different "meanings" to the definitions, because they were construing social responsibility in dichotomous terms, even without the benefit or imposition of the triadic element process.

In other forms of research where respondents are expected to put ticks in boxes, we merely analyse whatever has been "ticked", so that we see one side of the respondent's construct, but without the benefit of this corollary we cannot understand what the contrasting term, belief, attitude or other construct was. The implications for research design are that one has to decide on the level of data required from the respondent, so that one can build in the requirement of obtaining only one or both parts of a dichotomous term. Indeed, Likert scales and "agree / disagree" statements exemplify this aspect of research design.

Range corollary may be construed to fit either this group or the third group (explanation), particularly if it is discussed in the context of choice corollary. However, range corollary is discussed here in its role for research design and data collection. People are thought to have a finite range of constructs from which they can explain events around them, their "range of convenience". Therefore, research design needs to take into account the types of people to be interviewed and the kinds of questions one asks them. Consumer and industrial market research are two examples where respondents might find questions from either domain within or outside their range of convenience.

In this study, MBAs were compared with other Indian managers of equivalent seniority so that the constructs of both groups were likely to be within a similar range of convenience. If for example, MBAs were compared to unskilled labour, the range of constructs would have varied considerably, putting the comparisons outside the scope and objective of this study. Indeed, Berkowitz and Lutterman

(1968) compared middle-class Americans with working class Americans and came to the conclusion that the former group were more socially responsible. But, the study was based on their own questions and their "middle-class" perception of social responsibility, so that the working-class respondents may have found the questions outside their range of convenience.

Further studies of the Berkowitz and Lutterman scale are needed, in the American context, to draw any conclusions.

In the research design situation, this corollary appears to make a simple but important point; to ensure that the respondents' range of convenience is accounted for when asking them questions.

Fragmentation corollary suggests that the superordinate constructs which govern a person's psychological processes can only be understood by stepping through to deeper levels of understanding. For example, apples and oranges are different until one construes them as fruits. Another, more pertinent example, is that MBAs and non-MBAs may seem to be different until they are construed either as managers or as members of a social elite. With this corollary the researcher is encouraged to go through the process of "laddering" up or down depending on the complexity of the subject and the research. It was evident during the course of conducting interviews that respondents had varying levels of understanding of the construct "social responsibility" and the process of laddering helped the respondents to express themselves.

Recognition of fragmentation corollary, allows a researcher to build the laddering process into the study, so that practical requirements are met. Another implication is that without the benefit of laddering, one is likely to miss out on the depth and richness from the data. However, researchers must decide how much they need and either engage in elaborate interviews (e.g. open-ended questions, elicited constructs) or the more rigid questionnaires (e.g. close-ended questions, provided constructs).

11.5 Data analysis and exploration

Organisation corollary is probably the most helpful link between construct theory and repertory grid analysis. It forms the basis of understanding the underlying trends to a person's thoughts. Therefore, from several sets of constructs elicited from the person, it is possible to identify those constructs which mean the most to the person. In other words, it is possible to identify the core constructs which a person has about a given set of events.

From the large pool of constructs of social responsibility which were obtained from the 106 managers, some order and sense were drawn into the study by using the principle component analysis, which is based on this corollary. Clearly in a study with a large sample size, it is critical to the process of analysis that the constructs which are analysed and debated are based on those which mean the most to the respondents, whereas if one is dealing with a small number of respondents, or indeed, in counselling situations, this corollary may form one part of the overall analysis.

Grid techniques also allow for analysis of the variation of the scores used by the respondents, so one can determine which elements meant the most to the respondents, by looking at the extremes of scores. In this study, parents, colleagues (good and bad) and teacher from the last institution were used as elements. It was observed that for people with MBAs the cluster of elements used to form constructions of social responsibility was somewhat different to those people without MBAs (paragraph 10.17). It would seem that the original definition of organisation corollary has been overtaken by grid technique, so that it needs development to cover the analysis of elements. Since Kelly developed his theory on "constructs", the implication is that the elements themselves are not of central importance, but clearly, in the management context there are situations when information about elements would be helpful. This apparent gap in grid and construct research may merit further investigation.

Modulation corollary is about the level of permeability of the person's constructs. In other words how rigid or permeable to change is the person? In terms of analysis, this corollary is a step further in the analytical process from organisation corollary. Once the core constructs have been identified through grid technique, one can then look at the mental maps and evaluate the rigidity or permeability of the person's constructs through the variability and bias in the scores given by the person when completing the grid. It is possible to suggest that "average" scores, which cause constructs to be widely distributed around the map and elements to gather close to the origins are likely to be more permeable than those which have extremes of scores causing the constructs to gather around the principal components and the elements to locate close to the edges of the mental maps.

Findings based on this corollary have helped to point out the possible rigidities in the way Indian managers construe social responsibility. There were four main ways in which individual social responsibility was defined and a fairly consistent view of corporate responsibility in the context of social development. In contrast, the more permeable constructs appeared to be skill oriented, where for

example graduates of engineering were moving into management. These kinds of findings may point to areas of potential change or resistance in respondents and help in the field of training and education when new attitudes and skills are required.

Commonality corollary suggests that people who construe in similar ways are likely to behave in similar ways. This corollary has been tested by clinical psychologists, who have found evidence to support it. In this study, MBAs and non-MBAs have been found to construe social responsibility in similar ways therefore they might be expected to behave in similar ways on this dimension. The results have also demonstrated that the two groups have similar social origins, work in similar organisations (deliberate sampling) and appear to have similar career aspirations and constructions of social responsibility. The implication is that both groups may be construed as a single unit; as Indian managers, so that one can then focus on how they construe social responsibility and evaluate this against the kinds of constructs which might be appropriate to socially relevant objectives.

This is an interesting corollary, because it enables one to classify groups of people according to their psychological processes. Thus, for educators who are seeking shifts of attitude or beliefs this corollary would help to identify the target groups more precisely. Similar distinctions are already made in other fields of management research, for instance with psychographic segmentation in marketing, where consumers may be divided on the basis of how innovative or conservative they might be. The wider applications of commonality corollary may be in the human resources area, with team building, other forms of research in marketing and so on.

11.6 Explanation of results

The following group of corollaries can help to explain the results, but they may equally be classified in either of the two groups above, the function being dependent on the objective of the research. This researcher's perception of classification has arisen out of the nature of this particular study.

Choice corollary helps to explain some of the emotional responses which one might elicit during research. Construct theory treats man as though he is a scientist; making rational decisions at points of choice. However, people sometimes appear to be making choices which are not consistent with the events surrounding the person. In such cases, this corollary helps to explain the new and different construing which the person expresses through "extending" or "defining" the construct system. When this corollary is

discussed with modulation corollary, one can begin to understand that a person whose "core" constructs are being challenged may respond emotionally, through fear, hostility, anxiety and so on. Examples of emotional behaviour have been provided, where MBAs at the IIM-B expressed hostility towards social relevance projects.

This corollary also links closely with range corollary, in the sense that people who find events outside their range of convenience may not be able to extend or define their construct systems without emotional responses. A well known example in the management area is the Peter Principle which suggests that people are promoted to their level of incompetence. This may be interpreted to mean that a manager reaches a stage in his career when the events and decisions are outside the normal range of convenience and that he is unable to make choices because he just does not know what is required and how it is to be done. This situation, in turn, could be construed as a threat to the core construct of the individual, which may be one of self-confidence or ability or some similar notion of success. Therefore, when this core construct is threatened by the possibility of being seen to be incompetent, the person may generate emotional responses to cope with the perceived threat, before either extending or defining the core construct to cope with the new situation.

Construction corollary in some cases may be seen as providing a framework for research, just as the fundamental postulate does, rather than playing a more active role, as it would by inclusion in one of the three groups being discussed. In essence this corollary suggests that people see patterns from their past which help them to develop new constructs of the world. Construct theory, according to Kelly helps to explain a person's construct at a point in time, because constructs are dynamic, being changed through new experiences and learning from past events. Thus, this corollary links a person's previous experiences to his current way of construing and by implication suggests how the person may construe events in the future as a result of the current constructs, because these in turn will form patterns in the future.

This corollary is an implicit assumption in education, for example when case studies are used in management, because it is expected that students will be able to recognise patterns in business analysis and decisions which they faced in case studies. Perhaps longitudinal studies of managers can help test this corollary, but in the management area, the simple way to treat construction corollary is as an assumption.

Experience corollary is a natural ally of "construction", because it states that people build their constructs on the basis of their past experiences. In other words, where

construction corollary may relate to people learning through being taught or through experiments, in the case of this corollary the implication is that people learn by doing or by making choices and then seeing the outcome. In the training area this corollary is seen with methods such as "sit-by-Nellie" or indeed the outdoor development projects where people are put through leadership programmes.

There were two attempts at the IIMs for the students to experience the issues of social development, one through the voluntary scheme at Ahmedabad and the other through the social involvement project at Bangalore. Such projects implicitly acknowledge that peoples' constructions of the world may alter as a result of experiencing certain events. However, the project in Bangalore (as noted earlier) was seen to have failed as the students refused to get involved in something that was not vocationally useful. In other words their core constructs were based around the modern sector and having to experience events from another domain, was seen as a threat to their self concept.

This corollary may lend itself to testing if it is used over a period of time, but there is much evidence of it's relevance through such concepts as learning curves, so that it may be more fruitful to use this corollary as a means of explanation of peoples' constructs. The natural extension is, again, that one may be able to move to prediction from explanation as current experiences may lead to foreseeable behaviour.

Sociality corollary has been accused of being tautological and a reading of the criticism does support the accusation. Although this corollary may weaken the theory, it does help to explain observed phenomena, as a progression from the previous corollary. The reason for wanting people to experience certain events is so that they can empathise with these events. Perhaps one way to learn about the effects of poverty is to experience it, so that the individual takes on a similar frame of reference (as the poor person) when he construes poverty.

The corollary becomes circular when the suggestion continues that as a result of this improved management of the relationship, the understanding of the other person's constructs is improved. In some senses, this corollary sums up the reason for wanting a better understanding of other people.

11.7 Repertory Grid Technique

The technique has been discussed in detail in the methodology chapter above, so comments about it here will be brief and relate only to aspects of construct theory as discussed in the three groups above. The comments which

follow are of a general nature but are the result of this researcher's experience with construct theory and the grid. The grid is an elaborate listening device, with various sophisticated analytical tools available from the University of Manchester Institute of Science and Technology and Brunel University. It has become separated from construct theory and become an instrument of research in much the same way as an ordinary questionnaire. This is a perfectly legitimate evolution of a "listening device" and in such cases researchers should not be constrained by the purity or otherwise of maintaining links with construct theory.

It would seem, however, that management research is missing out on some of the richness of data collection, analysis and explanation by ignoring construct theory. For example, it is fundamental that one comprehends the dichotomy corollary in order to understand that one is looking for contrasts and differences rather than natural opposites. If researchers ignore the range corollary when they design the grid, they are likely to encounter all sorts of problems with data collection. The principal component analysis, or clustering, becomes much clearer for analysing data when organisation corollary is understood. Researchers who are trying to classify groups of people may benefit from the commonality corollary. In fact, the implications of the results from this study are that the two groups of managers do construe social responsibility in similar ways, so that they may be grouped together and comments about the social relevance (below) of management education would have to take this into account.

Finally with explanations of results; choice, construction and experience corollaries can help, because the data from grids provide information about the core and peripheral constructs and elements, while the actual process of interviewing respondents and "laddering" up or down their construct systems reveals something about their experiences and how they have construed events in the past (construction corollary).

Researchers of management are invited to take up construct theory and repertory grid, in order to create a body of discussion for and against construct theory within the management context, because it holds interesting potential for an alternative construction of man. One area, which has been explored in this study is the definition of social responsibility, which is discussed next.

11.8 Defining Social Responsibility

This study has provided an empirical basis for defining social responsibility in the domain of management. Other definitions and studies of social responsibility have been reviewed earlier and concern such areas as management

response to given situations, middleclass versus working class definitions, types of social responsibility based on the dichotomy of "hands-on" versus "hands-off". The most helpful research is probably by Lifshitz (paragraph 3.17) who elicited constructs of social responsibility from experienced and student social workers. Therefore, the nine definitions elicited from Indian managers are compared with his definitions in table 11.0 below.

Table 11.0
Comparison of social responsibility definitions elicited in this study with those of the study by Lifshitz.

+++++	
Indian Managers	Social workers

1) Interpersonal skills	Abstract interpsychic (interpersonal) wish to help others
2) Integrity, Honesty	
3) Care for people	
4) Work ethic, reliability	Task orientation, diligence, hard work
5) Concern with intellectual development. Self-actualisation	Intra-psychic self awareness intellectual abstract thinking
6) Egocentric	Affective, egocentric
7) Social responsibility in terms of generalisations with low meaning	
8) Helpfulness and consideration	
9) Social responsibility with social concerns (issues)	Abstract social values, equality, justice
10)	Describe concrete situations (age,sex)

There appear to be five definitions which are similar between the Indian managers and Israeli social workers, lending support to these terms as reference points for defining social responsibility. However, the definitions are not clear cut, they may be construed in slightly varying ways depending on the particular experience and construct

system of the person attempting to define social responsibility.

For example, while Indian managers were clear about the terms integrity and honesty as a term for social responsibility, Lifshitz has included these terms as "abstract social values". This may be due to the different cultures in the two countries where integrity is a pragmatic requirement and the lack of it constrains or smoothens the work of managers in one country but is taken for granted by social workers in the other.

The value of comparing Lifshitz's work with this study is that it lends support to an area which has not been researched much, particularly with reference to construct theory. What the comparison demonstrates is that the terms elicited for social responsibility in India are compatible with definitions elicited by Lifshitz in Israel, thereby giving support to this study.

The main issues which now arise are how to make use of these definitions, are they acceptable in the sense of social relevance, can they be evaluated, taught, applied in other contexts ?

It would seem that one of the first things which could be done is to develop a research instrument which picks up the definitions from this study and that of Lifshitz in order to test it in a wider setting, in terms of culture, occupation, education levels and so on. Classification on this basis would then enable curriculum development, discussions and a better understanding of the priorities of the different groups in society in terms of their social responsibilities.

In view of construct theory, it may be seen that certain definitions of social responsibility are outside the range of convenience of respondents, so that attempting to define it in ways which suit certain needs elicits emotional responses. These responses can be monitored as one explores definitions of social responsibility while moving along the scale. For example, this researcher has attempted to discuss the definition of social responsibility in terms of both the Friedman "free market" approach and the alternative "hands-on" approach with MBAs in India (IIM). Support for the "free-market" definition was strong, with the alternative eliciting hostility from the majority, some of whom decided the researcher must be "communist !"

Armed with different classifications of social responsibility, one has to set an objective against which the respondents may be evaluated. For example, if one is working with people in the caring professions, one might expect constructs of social responsibility to include; "caring for others", "helpful" and so on. Perhaps people

working in Banks will come up with "hard work" and "integrity".

When one has established the definition of social responsibility which might be a necessary or even sufficient condition in order to be able to perform a given job, then data collected about people's social responsibility may be evaluated. In this study, for example, it is construed that the terms of social responsibility which would help unimodal development of the country are "social responsibility with concerns", "care for people", "helpful", "integrity". However, the most frequently occurring constructs were oriented to self and immediate others and would not therefore be suited to unimodal development strategies and this issue is discussed in greater detail below.

In the light of the methodology and the empirical outcome of this study, attention is now turned to the superordinate objective of the study.

11.9 Social relevance of postgraduate management education

Five instruments were used to investigate the social relevance of management education. The discussion is therefore set out in the light of the main findings from these five instruments.

11.10 Social Origins and Placements

There is clear evidence from the study that the MBAs and indeed the non-MBAs are part of a social elite, both in terms of their origins and in terms of their current standing. However the MBAs appear to have a slightly higher social capital on the basis of their fathers' occupations. In fact these findings concurred with the other studies in India and Europe (reported in chapter one). Some authors, including Friedman (1982) argue that it is inequitable for a social elite to be subsidised by society, particularly as it seems that the private returns exceed public benefits. The data, here, does demonstrate that Indian managers are largely members of a social elite, therefore the next question is whether the graduates receive more of the benefits than society and whether the education is subsidised.

According to secondary sources (chapter one), the graduates are largely placed in the modern sector of industry where rewards are high. The expectations of society are that the educated elite will work in organisations which are "socially relevant" and thereby improve the standards of living in a country. These are exemplified by such organisations as electricity boards, water, irrigation, agriculture, other primary industries and so on. However, most of the graduates work in firms engaged in

consumer industries, which mainly supply the urban middle (and higher) income groups. In other words the benefits of a professional management cadre are restricted to a relatively small sector of the population.

This thesis, however, has challenged the rather simplistic notion of placement as an index of social relevance, preferring instead to attempt an analysis of the social responsibilities of the managers and corporate entities, because these factors are thought to be important in strategy formulation. We return to this issue in paragraph 11.12.

Meanwhile, the issue of social origins and placement in the more rewarding modern sector did raise a question about the equity of this form of education. If the graduates are members of a social elite who then proceed to be the primary beneficiaries of this form of higher education should they not be expected to meet more of the costs than society ?

The full cost of the MBA has been estimated at around \$4,500 per graduate. The students themselves make a direct contribution of around \$330 per annum, including fees (\$50.00), accomodation, food, books, use of computer and so on. (IIM Bulletin, 1984). Some 30 industrial scholarships are available to cover this and around 25% of the students take study loans to the value of \$350.00. However, over 160 students graduate each year, so the industrial scholarships are minimal as a proportion and the contribution towards the full cost per student is very small.

The private returns to a largely public investment are thought to exceed 30% (Psacharopoulos, 1985, Friedman, 1982) so that one is tempted to conclude that the MBA can certainly afford to make a greater contribution towards the full cost of the programme. Further, the organisations for whom the graduates work, such as the multinational banks, would have incurred far higher costs to place an equivalent expatriate in the same jobs for which Indians are recruited at around \$8,000. For example, the basic annual salary for an expatriate may have exceeded \$40,000 with a further \$10,000 to \$20,000 in travel, accomodation and other facilities for the families. The organisations, however, incur no costs on the graduates and there is little investment in them. Although private Indian firms do not have an equivalent expatriate salary cost to save, they too might consider investments in their staff as they do for investments in machines.

There may be a line of argument that these increased earnings generate additional income tax as possible returns to society. Perhaps the incremental tax payments over lifetime earnings provide a return to the investments made by society. However, as no primary evidence was collected on

this issue, reference is made to secondary sources (some from chapter one), all of whom indicate that private returns exceed public benefit. (Harberger, 1972; Friedman, 1982; Bagwati, 1966; and Psacharopoulos, 1985 are examples). Further the non-MBA populational earn similar levels of income as the matched MBAs and the income differentials appear to be based more on the sector of employment than on education per se.

In fact Friedman (1982) has argued that subsidising Institutions of vocational and professional education does not create equality of opportunity but merely helps to accentuate disparities, because this form of education provides private returns which are far greater than any public returns, either pecuniary or in any other form. Psacharopoulos et al (1985) in a review of education for development, for the World Bank, have much the same comment; that choices of higher education in developing countries tend to create disparities. This author further indicates that economic evaluations of higher education rely on a critical assumption that increases in pay which result from higher education represent improved productivity and therefore improved wealth creation, leading to development.

However the assumption may be challenged by two alternative views. First (as already discussed) the extra wealth which is generated does not appear to create trickle-down benefits, because of the heightened disparities and secondly if the trickle-down mechanism is to work, the key decision makers (the so-called "captains of industry") need to make policy decisions and enable the implementation of instruments which can facilitate this trickle-down of benefits. In view of the findings from construct theory and the definitions of social responsibility, it is suggested that the desired socially relevant policies may not be forthcoming. This is discussed in greater detail below.

It would seem, in the Indian setting, that all forms of higher education are thought to provide public benefit and have therefore been subsidised. But, one can argue that it is in fact primary and secondary education which help to raise the overall levels of literacy of the country and would therefore help to build the nation, on the basis that most of the people are put through similar curricula (Three Rs) and as the education rises to higher and higher levels, the benefits, it would seem, tend to flow more to the individual than to the nation as a whole and the individual or his sponsors ought to be able to invest in the person.

11.11 Career Orientation

Most of the Indian managers appeared to be oriented to general managerial jobs. There were very few who had orientations to entrepreneurial or technical/functional

occupations, particularly when compared to their American counterparts. The inference one can draw from this finding is that the managers prefer to work in secure corporate posts, which also happen to provide the highest returns on the relatively small investment made by the individual. The lack of entrepreneurship or technical orientations implies a low propensity to start new ventures which are thought to be important to job and wealth creation.

Indeed, if one reflects on the social origins of the parents, it will be recalled that their fathers were largely in the Indian civil service, having secure and rewarding jobs. However, perhaps these rewards have now shifted to industry, so that the overall aspirations and expectations have remained consistent with the parents, but these are now achieved in the private rather than the public sector. There is little empirical evidence for the suggestions made above, although a sensitivity to the Indian culture would lend support to them. This possibility leads to the next issue covered in the study, through repertory grid.

11.12 Corporate Responsibilities

In addition to the orientation for managerial careers, the respondents displayed clear preferences for the modern high technology organisations which were not owner managed. They saw this form of enterprise as good for India, contrasting it with organisations which were labour intensive, low technology and owner managed. Further, the MBAs had a positive image of multinationals, compared to the non-MBAs. This particular observation may be added to the debate on the social relevance and may mean either that the respondents were not socially relevant or the converse, depending on the standpoint of the reader. For example, in the Indian setting it may be argued that labour intensity is good for the country as it helps to create jobs and wealth.

On the other hand one may take the view that as part of the international community there is a future only if the country is able to keep pace with science and technology because the quality of life can only be improved through higher levels of scientific application. In the Indian condition, this researcher believes that labour intensive technologies and indeed a direction of resources to the rural sector are more equitable and more likely to lead to higher growth rates in the economy than the more narrow form of development which results from the bi-modal strategy being pursued. This latter strategy is good for a small modern high technology sector in which a small proportion of the population participates, but not for the wider society. (Johnston and Kilby, in Harris 1986)

11.13 Individual Responsibilities

The three general implications above have a missing link. Even if one accepts that there is an overinvestment in postgraduate management education, the reason for this form of education is that it provides a highly skilled manpower in a country where these are deficient. Since good management is thought to be critical to a nation where very scarce resources must be used to best effect, perhaps one has to accept a certain amount of "wastage" in order to raise the level of management of the country. But how is this transfer of knowledge from the management courses to the areas of application supposed to be made ?

If the graduates are moving into the modern sectors, they are merely going to those organisations which already have a high level of productivity and are able to pay the higher salaries commanded by managers. Placement, therefore as a single index is inadequate to debate the social costs and benefits of the graduates. The missing link referred to above is in fact the way managers construe social responsibility.

A manager who works in the private or public sector is not necessarily more or less socially relevant simply through the accident of placement. What the manager thinks about his social responsibility and what he does are perhaps far more important. This debate has already been taken up earlier and it is sufficient at this stage to reflect on the finding that very few managers, either MBAs or non-MBAs construed social responsibility in terms of social development, thus allowing the implication that very few would be engaged in developmental tasks either at work or in their private lives. This point is elaborated below.

The four most frequently used constructs of social responsibility are not, either sufficient or necessary conditions for people to behave in ways which would aid social development. They tended to be concerned with self and immediate others and although in the Adam Smith sense they would be socially responsible, because they would be diligent and such diligence would create wealth which would then be available for re-distribution, it is clear from all the empirical evidence from secondary sources cited earlier that such re-distribution is not automatic. A small group of MBAs and non-MBAs did construe social responsibility in terms of development, social issues and were in careers where they could turn these constructs into action.

However, even more telling is that "good" organisations are perceived as being capital intensive, high technology and so on. Such constructs would determine the kinds of policy choices which the managers would make and they are not choices which are likely to be of widespread benefit.

On the bases of social origins, the current employment sectors and the constructs of corporate and individual social responsibility, there seems to be sufficient evidence to suggest that this form of education is vocational with few "spill-over" benefits. Indeed, even Friedman has argued that vocational training should be funded by the individual or his sponsors because such training has minimal "neighbourhood" effects. In other words society should not be expected to subsidize Institutions which supply vocational or professional training as they can expect little or nothing in return, compared to the individual.

The IIMs, for example, have explicitly and implicitly stated that one of their objectives is to instill socially responsible values into their graduates. The results so far indicate that this may not have happened, because whatever the prior starting point of the graduates they currently construe social responsibility in rather narrower terms than would facilitate social development. Therefore, the IIMs may find it useful to investigate the following areas as potential "bottlenecks" which might need to be released before social responsibility is construed in different terms by their graduates. To the extent that the non-MBAs appear to hold a similar construction of social responsibility, the implications for further research would apply equally to other forms of postgraduate vocational and professional education, which are subsidized by the state.

11.14 Areas of further investigation

- 1) Perhaps the social values of those coming on postgraduate management courses are rigid and not prone to change.
- 2) The course design and content may not give adequate attention to notions of social responsibility.
- 3) Although the courses may be well designed, perhaps there is a lacuna in the delivery of them, from the perspective of instilling social responsibility.
- 4) Suggestions for research on policy issues, in recognition of the implications, as though they were conclusions.

Social Values.

Within the context of construct theory, two forms of elaboration of constructs were put forward; extension and definition (paragraph 3.7).

People are thought to "extend" their construct system when they have to cope with something completely new or poorly understood. There is evidence to suggest that on some

constructs there is a willing extension of the construct system in order to increase the range of events which are understood. These are exemplified by the learning of new subjects and other functional or skills oriented tasks, because they are vocational and the students anticipate upward social mobility as a result of acquiring the new skills. However, at the IIM in Bangalore, another aspect of pedagogy which failed was the social involvement project, already discussed. The failure had no bearing on their future jobs and careers.

This failure exemplifies a refusal to "extend" the construct system to cope with areas of social relevance, while at the same time there is a willingness to extend the system to cope with areas of direct career relevance. There was also evidence that the graduates are merely "defining" their construct system as many of them already have stereotype images and aspirations of what they want in life. For example, most of the second year graduates at the IIM in Bangalore came out strongly on the "managerial" anchor. They had therefore assigned a role model for themselves and were at the Management School to reinforce this model and to learn the skills needed to practise this career.

In summary, therefore, one might investigate the propensity to extend or define the social values of the graduates. The benefits of such research would go towards the development of teaching methods and curricula for social responsibility. Although the examples are from the study of MBAs, since there were no perceptible differences from the non-MBAs, one can extend the area of investigation to other forms of postgraduate courses where the students are expected to hold values and beliefs which are helpful to social development.

Course design and content

The Indian MBA programmes are modelled very much on the lines of the American MBA and they cannot pretend to meet the social and economic conditions which exist in India, unless there is locally developed material which is offered to the graduates. This material is offered to the students, but mainly as options, so that the IIMs are able to include subjects of social relevance in their curricula, but in fact the students opt for the more vocationally oriented courses in computers, marketing and finance rather than the subjects in energy, habitat, transport and so on.

It would seem, from secondary sources, that the curricula have not been developed to deal effectively with the two objectives of modernisation and equity. While aspects of modernisation receive attention in the core programme, the socially relevant subjects are left as electives. Why should it be compulsory for the students to learn about modern management tasks, but only optional about social development

priorities? Indeed, how can modern managers be relevant to the development needs of the country unless they have a full command of the national priorities? If one returns to the original objectives of setting up management education institutions, it was that there should be a pool of professional managers to help make effective use of very scarce resources. In a poor country this implies better application of resources for wider societal development and not simply greater capital intensity in the modern sector.

The management institutions might like to make a detailed study of their curricula and question the emphasis, not just in the content, but also in the teaching materials and the delivery of socially relevant subjects. On the basis of observation during the faculty interviews, it became apparent that these subjects (where they were being taught) were not being handled by the most charismatic of lecturers. This leads to the next two points.

Delivery of curricula

According to Lifshitz (paragraph 3.17) and some of the respondents, the socially responsible values were probably acquired through role models. This, meant that the formation of altruistic causes was not merely the function of course content, but the credibility of the teacher as a role model. Further, it seems that the young person also needed to have a respectful relationship with the socialising parent.

It has been suggested above, that the curriculum was lacking in emphasis on social issues. According to Lifshitz, this would not have been enough, because, even if it was "perfect" for the purpose, the teachers would need to be completely credible.

The findings suggest that the IIMs do not have the lecturers who "inspire" or have the credibility to instill social responsibility in the students. This conclusion is based on the meetings with faculty and students at the IIMs in Ahmedabad and Bangalore. However, the researcher met with faculty who excelled in functional areas such as finance, marketing, human resources and economics. These lecturers were both interesting to interview and were independently rated highly by the students. Therefore, when the less than charismatic lecturers of "socially relevant" subjects have to compete with the more credible "performers" in the functional areas, the former are not able to attract students on to their electives.

Lifshitz also indicates a more informal source of social responsibility; the socialising parent. No specific data was collected on this aspect, but it was evident from the interviews conducted during the repertory grid (Appendix 6.E) that the father or mother had influenced some of the

values which emerged in the grids. However, there is insufficient data on this aspect for further discussion, as the source of social values was not an objective of the study, but could form the basis of future research.

Faculty preoccupations

The criteria for evaluation of faculty at the IIMs are the usual academic concerns of publications, student evaluations, consultancy and short course contributions. In addition the IIMs are organised on the basis of academic staff handling certain administrative functions in the belief that only academics have a complete understanding of the requirement. This places day to day tensions which they have to deal with, including the negotiation for and the monitoring of budgets.

Under these conditions, there is little room for the pedagogy to be developed to meet a need such as societal equity. The students apparently do not want it, the curricula are not developed to deliver it, the faculty perhaps lack the credibility and lack the incentive to focus attention on the subject because the evaluation and reward criteria are based on other priorities. The question this raises for the IIMs is concerned with what the priorities of the staff should be. Perhaps classroom skills need to be evaluated including an assessment of how one might deliver subjects of social relevance in an interesting and desirable way. In marketing terms this would be labelled as a "packaging" problem.

11.15 Construing a need for change

One way to construe the IIMs might be that because the IIMs exist and do all that they do, they are socially relevant. However, on the basis of the findings in this study, such an assertion can at least be questioned, even if one can't go to the contrasting observation and suggest that they are socially irrelevant. Therefore, if one is willing to construe, for a moment that the IIMs may not be socially relevant, then two policy areas become potential research topics.

- a) A serious consideration to be given to the pedagogy of social relevance and
- b) Accepting the current role of the IIMs as suppliers of "largely" vocational management training with no pretence of social relevance.

In the first case, major changes would be called for. The student recruitment process would need to select for those with a propensity to extend their construct system to include social responsibility. The teaching materials and

the delivery would also have to be modified to cope with a fairly fundamental change to the core construct system. They can not be dealt with through tentative measures such as electives, but would have to be included in the core part of the programme. Indeed such a move would have to reverse a decision taken recently at the IIM in Ahmedabad; to drop the "Indian Social and Political Environment" course from the core programme in the first year (Ramachandran, 1987). This course was the only one which dealt with social development issues on the MBA programme.

As noted earlier, the IIM in Bangalore had dropped the Social Involvement Projects. In fact the recently appointed Director of the IIM in Bangalore told this researcher that the previous focus of the IIM had been inappropriate and the role of the IIMs was to satisfy the requirement for well trained managers to be placed in modern industry.

Such a clear recognition of the role of the IIMs touches on the second policy option, in which case the graduates and modern industrial sectors should contribute more fully towards the costs of the MBA programmes. There may be other forms of postgraduate management education which society can pay for, such as those which would suit industries which are closely related to wider social objectives. These industries would be engaged in primary sectors and other key social services, such as health, education, habitat, energy.

However, assuming that this form of education is here to stay, the existing quota system for the disadvantaged may be maintained in order to permit equity of opportunity, but these graduates can meet their full cost, if not immediately, then over a period of time.

Even twenty years ago the notion of vocational training being paid for by the immediate consumers of the training was put forward;

"They do not make the difference of principle any less valid. The importance of the distinction is that there is no general case for state finance or provision of vocational training. At present, the economic benefit of such training accrues to the individual although the costs of the training are most often met by the State.....Thus the ideal solution would seem to be for the State to ensure that "loans" were available for those wishing to undertake vocational training, repayable perhaps as a proportion of future earnings". (Wiseman, p366, 1968)

Although the quotation refers to "training" rather than "education", it seems fairly clear that Indian managers have treated their higher education in vocational rather than educational terms.

To operationalise some of the suggestions above would open another form of Pandora's box, because although it would be in line with the social philosophy of the country, it might go against the interests of the social elite who receive the most benefit from the system which they control. One is tempted to suggest that technical problems can be overcome, given the will. This study began with an attempt to evaluate postgraduate management education through a micro level study of social relevance. Enroute it has demonstrated that there is a lack of clarity among the planners on how to make the institutions and the managers socially relevant. Indeed there appears to be a lack of a clear understanding of the term social responsibility. Through the application of a novel approach, this study has attempted to add to the body of knowledge in both these areas. Hopefully this has been accomplished.

References

- Bagwati J.; The economics of underdeveloped countries, Weidenfield and Nicholson, London, 1966.
- Berkowitz L et.al.; The traditionally socially responsible personality. Public Opinion Quarterly, v32, summer, 1968.
- Buchanan D.A. et. al.; Organizational Behaviour. An introductory text. Prentice Hall International, 1985.
- Friedman M.; Capitalism and Freedom. The University of Chicago Press, London, 1982.
- Harris J.; Rural Development. Theories of peasant economy and agrarian change. Century Hutchinson Ltd, 1986
- IIM Bulletin,; Publication from the IIM in Ahmedabad, Vastrapur, Ahmedabad, India, 1984.
- Lifshitz M.; Quality professionals: Does training make a difference ? A personal construct theory study of the issue. British Journal of social and clinical psychology, 13, p183-189, 1974.
- Psacharopoulos G. et.al.; Education for development: An analysis of investment choices. Oxford University Press, 1985.
- Ramachandran K.; Personal communication from IIM Ahmedabad where he is member of a committee, February 1987.
- Wiseman J.; in Economics of Education 2, p366, (Ed.) Mark Blaug, Harmondsworth Penguin, 1968/69.

Appendix 1.A

Management Education Institutions In India

SERIAL NUMBERS							
Country and Code	Cert./ diploma	1st degree	Post Graduate diploma	Master's degree	Doctor's degree	Executive Programmes	
						less than 4 weeks	4 weeks or longer
INDIA (IND)	21,28,40		2,12,13,15,17,20,21,22,25,28,31,34,38	3,12,13,14,14,21,28,29,31,38,39,40	12,13,14,31,39,40	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,29,30,31,32,33,34,36,37,38	1,5,6,8,9,12,13,14,15,16,17,20,22,27,31,32,33,35,36

INDIA (IND)

- | | |
|---|---|
| 1 Administrative Staff College of India | 21 Kurukshetra University |
| 2 All India Management Association | 22 Lal Bahadur Shastri National Academy of Administration |
| 3 Andhra University | 23 Management Development Institute |
| 4 Bhara Heavy Electricals Limited | 24 National Institute of Rural Development |
| 5 Bureau of Public Enterprises | 25 National Institute for Training in Industrial Engineering |
| 6 Department of Personnel and Administrative Reform | 26 National Mineral Development Corporation Limited |
| 7 Fertilisers and Chemicals Travancore Limited | 27 National Productivity Council Punjab University |
| 8 Heavy Engineering Corporation Limited | 28 Department of Commerce and Business Management |
| 9 Hindustan Aeronautics Limited | 29 Public Administration Department |
| 10 Hindustan Machine Tools Limited | 30 Public Enterprises Centre for Continuing Education |
| 11 Indian Airlines | 31 Punjabi University, Patiala |
| 12 Indian Institute of Management, Ahmedabad | 32 Railway Staff College |
| 13 Indian Institute of Management, Bangalore | 33 Reserve Bank of India, Bankers Training College |
| 14 Indian Institute of Management, Calcutta | 34 Shri Ram Centre for Industrial Relations and Human Resources |
| 15 Indian Institute of Mass Communication | 35 Small Industries Extension Training Institute |
| 16 Indian Institute of Public Administration | 36 State Bank Staff College |
| 17 Indian Society for Training and Development | 37 Steel Authority of India Limited |
| 18 Indian Telephone Industries Limited | 38 University of Allahabad |
| 19 Institute of Applied Manpower Research | 39 University of Bombay |
| 20 Institute of Public Enterprise | 40 University of Delhi |

Source: Training for Public Enterprise Management.

Commonwealth Secretariat, 1981

Appendix 1.B

Curricula at the Indian Institutes of Management in Ahmedabad and Bangalore

TWO-YEAR POST-GRADUATE PROGRAMME IN MANAGEMENT (GENERAL)

Courses (First Year)

First Term

Mathematics & Statistics for Management I
Production & Operations Management I
Managerial Accounting & Control I
Economic Analysis
Organizational Structure and Dynamics
Written Analysis and Communication I
Legal Aspects of Business

Second Term

Mathematics & Statistics for Management II
Personal and Interpersonal Dynamics
Finance I
Marketing I
Managerial Accounting & Control II
Written Analysis & Communication II
Economic Environment & Policy I

Third Term

Human Resources Management
Computers & Data Processing Systems
Production & Operations Management
Finance II
Marketing II
Economic Environment & Policy II
Written Analysis & Communication III
Indian Social & Political Environment

TWO-YEAR POST-GRADUATE PROGRAMME IN MANAGEMENT (SPA)

First Term

Compulsory

- Business Policy I
- ✓ Rural Environment and Social Change
- Agricultural Development Policies
- Agricultural Marketing Environment
- Agricultural Finance
- Quantitative Aids in Agricultural Management

Second Term

Compulsory

- Business Policy II
- Research Methods in Agricultural Marketing
- Electives (3 out of 6)**
- Agricultural Input Marketing
- Rural Energy
- Systems Analysis in Agriculture
- Management of Agro-Industrial Projects
- Forest Resources Management
- Executive Communication

Third Term

Compulsory

- Project
- Electives (3 out of 5)**
- Agricultural Output Marketing
- Cooperative Management
- Rural Advertising
- Seminar on Design and Dynamics of Developmental Organizations
- Finance for Agricultural Production and Marketing

Courses (Second Year)

I Term	II Term	III Term
Business Policy Area		
Business Policy I	Business Policy II	Public Enterprise Mgt.
Managerial Oral Communication		Corporate Tax Planning
		Small Enterprise Mgt.- Corporate Planning
Personnel & Industrial Relations Area		
Seminar on Industrial Relations & Labour Law	Personnel Management	
Economics Area		
Project Planning for Industrial Development	Fiscal Policy & Business Demand & Sales Forecasting	Historical Perspective of Entrepreneurship
Economic Analysis for Business Planning		International Banking
Production & Quantitative Methods Area		
Statistical Methods in Data Analysis	Materials Management	Data Base Management Systems
Linear Programming and Extensions	Management Information Systems	Manufacturing Policy
Production Planning and Control	Selected Topics in Operations Research	
Systems Analysis and Simulation	Data Processing and Programming Languages	
Finance & Accounting Area		
Management Control Systems	Fiscal Policy & Business	Changing Prices & Financial Decisions
	Corporate Finance: Theory and Applications	Financial Accounting
Marketing Area		
Marketing Research and Information Systems	Seminar on Product Policy and Management	Advertising & Sales Promotion Management
Seminar on Sales & Distribution Management	International Marketing	Seminar Course on Marketing Management and Consumer Movement
	Demand & Sales Forecasting	
Organizational Behaviour Area		
	Organizational Structure & Design	Human Resources Development
Public Systems Group		
	Management of Creativity and Innovation	Management of Social Development Programme
		Technology, Policy, & Management

COURSES OFFERED IN THE POST GRADUATE PROGRAMME

First Year

Core Courses

(Compulsory for all students)

Finance & Accounting Management

Written and Oral Communication

Marketing Management

Organisational Behaviour

Personnel Management

Industrial Relations

Production & Operations Management

Probability & Statistics

Operations Research

Management Information Systems

& Computers

Micro Economics

Macro Economics

Financial Management

Project Appraisal

Working Capital Management

Budget Planning & Control

Management Controls

Advanced Financial Management

Taxation Management

Marketing Management

Industrial Marketing

Sales Management

Advertising Management

International Business

Product Management

International Marketing

Technology Change and Marketing Strategy

Management of Small Scale

Industry/Business

Strategic Marketing

Second Year

Compulsory Core Courses

Indian Legal System

Indian Economics

Indian Society

Management Policy

Seminar on Public Sector Management

Organisational Behaviour,

Personnel Management &

Industrial Relations

Applied Human Resource Management

The Selection Process

Applied Behavioural Science

Advanced Industrial Relations

Training & Development

Personal Growth Laboratory

Japanese Management

Personnel Administration & Labour Laws

Experiential Learning

Performance Appraisal Systems

Electives Offered

PGP — General Courses

Economics & Social Sciences

Introductory Econometrics

Social Cost Benefit Analysis

Appendix 2.A

Berkowitz and Lutterman Social Responsibility Scale

However, high SRS people were also more likely to oppose more government involvement in problems in unemployment and to oppose extending social security.

Location

Berkowitz, L. and Lutterman, K. The traditionally socially responsible personality. Public Opinion Quarterly, 1968, XXXII, 169-185.

Results and
Comments

High SRS scorers among both middle and working class respondents tended to affiliate more with the Republican party. This result held even when controlled for city size, except for the rural working class.

<u>% Republican</u>	<u>Low SRS</u>	<u>High SRS</u>
Middle class, urban	42	49
Middle class, rural	43	60
Working class, urban	14	30
Working class, rural	45	42

It was concluded that "all in all, high scorers on SRS generally were least inclined to deviate from the political traditions of their class and community."

High SRS types however were not "other-directed conformists" in the sense that they were less likely (than those with low SRS) to place a high value on being well-liked or popular as important-things for children to learn, and more likely to place a high value on thinking for oneself. High SRS people in the working class were less likely than low SRS people to disagree with the view that big business was too powerful.

It is reported that SRS is strongly associated with education, but the authors note that college students, homogeneous on this factor, evidence behaviors in experiments congruent with their SRS scores. Finally, all of these results run counter to McClosky's (1958) description of conservatives as alienated and hostile.

References

Gough, H.; McClosky, H.; and Meehl, P. A personality scale for social responsibility. Journal of Abnormal and Social Psychology, 1952, 47, 73-80.

Harris, D. A scale for measuring attitudes of social responsibility in children. Journal of Abnormal and Social Psychology, 1957, 55, 322-326.

McClosky, H. Conservatism and personality. American Political Science Review, 1958, 55, 27-45.

Social Responsibility Scale (SRS)
(* responsible reply)

1. It is no use worrying about current events or public affairs; I can't do anything about them anyway.

Strongly agree Agree Undecided *Disagree *Strongly disagree

2. Every person should give some of his time for the good of his town or country.

*Strongly agree *Agree Undecided Disagree Strongly disagree

3. Our country would be a lot better off if we didn't have so many elections and people didn't have to vote so often.

Strongly agree Agree Undecided *Disagree *Strongly disagree

4. Letting your friends down is not so bad because you can't do good all the time for everybody.

Strongly agree Agree Undecided *Disagree *Strongly disagree

5. It is the duty of each person to do his job the very best he can.

*Strongly agree *Agree Undecided Disagree Strongly disagree

6. People would be a lot better off if they could live far away from other people and never have to do anything for them.

Strongly agree Agree Undecided *Disagree *Strongly disagree

7. At school I usually volunteered for special projects.

*Strongly agree *Agree Undecided Disagree Strongly disagree

8. I feel very bad when I have failed to finish a job I promised I would do.

*Strongly agree *Agree Undecided Disagree Strongly disagree

Reprinted with permission of Berkowitz, L. and Lutterman, K. Social Responsibility Scale in "The Traditionally Socially Responsible Personality," *Public Opinion Quarterly*, 32 (1968), pp 169-185. Copyright 1968 by Columbia University Press.

Appendix 6.A

Questionnaire of social origins and social activities
of respondents and their organisations

DEMOGRAPHIC SURVEY

1. Year of graduation from PGP () and from 1st Degree ().
2. 1st Degree from (full name).....
3. 1st Degree subject: Engineering (),Science (),Economics (),
Commerce (),Arts (),Other () please specify.....
4. Additional qualifications ?
5. Type school attended. Central Govt.(), State (), Private(),
Mission (), Joint sector ().

6. Family Education.

	Grandfather			
	Father	Mother	Paternal	Maternal
Postgraduate	()	()	()	()
1st Degree	()	()	()	()
Secondary only	()	()	()	()
Primary only	()	()	()	()
Don't know	()	()	()	()
Other, please specify.	()	()	()	()

7. Family socioeconomic background.

Note: Please include only salary and cash allowances.

If current please tick. If at retirement please put in year.

Income per month.

		Self	Father	Mother
Upto	Rs 500	()	(-)	()
501	to 1,000	()	()	()
1,001	to 2,000	()	()	()
2,001	to 5,000	()	()	()
5,001	to 10,000	()	()	()
10,001	and above	()	()	()

8. Approximate value of Benefits in kind per month, received from Organisation. (e.g. housing, car, phone etc.,)

Self.....Father.....Mother.....

Comments.....

9. a) Current job title.....
- b) Person to whom you report. Name.....
Title.....
- c) Numbers of people reporting to you.....

10. Company Name.....

Is ownership..Public sector (), Private sector - Indian (),
Private sector Multinational (), Joint sector - Indian (),
Joint sector - Multinational (), Family owned & controlled (),
Publicly owned but family controlled (),
Owned and controlled by your family (),
Other.please specify.....().

11. Primary activity of your organisation ;.....
.....

12. Occupation now or at time of retirement of your;
Father.....Mother.....

13. Organisation sales turnover.
Crores of Rupees per annum.

Approx:.....

14. Number of Employees

Approx:.....

15. Total MBAs in Organisation.

Approx:.....

16. Total executive cadre.

Approx:.....

17. Does your firm provide or have any of the following;
For this and next question Please TICK if the answer is YES.
Comment (optional)

- a. Housing for non-management staff ().....
- b. Education/Training for dependents of all employees ().....
- c. Factories etc., in Backward areas().....
- d. Foreign technical collaboration ().....
- e. Aid employees to start ancillaries ().....
- f. In Backward areas, employ locals ().....
- g. Aid charitable foundations not started by organisation ().....
- h. Market its products in rural areas ().....
- i. Is largely capital intensive ().....
- j. Is largely labour intensive ().....
- k. Other comments.....

18. Are you or did participate in any of the following;

At the time of :	1st Degree	PGP	Now	Comment
a. Politics	()	()	()	
b. Vote in general elections	()	()	()	
c. Sports	()	()	()	
d. Cultural events/ functions	()	()	()	
e. Professional associations	()	()	()	
f. Holidays (1 week or more)	()	()	()	
g. Give aid to charities	()	()	()	
h. Social relevance projects	()	()	()	
i. Urban poor / rural projects	()	()	()	

Appendix 6.B

Questionnaire to determine the social responsibility
of Managers

BEST COPY

AVAILABLE

Variable print quality

Name:

Company:

City:

Date:

DRAFT QUESTIONNAIRE
TO DETERMINE THE SOCIAL RESPONSIBILITIES
OF MANAGERS

Strongly

Disagree

Agree

1. Managers are responsible only to the shareholders of the business rather than to others (e.g. consumers, Unions, employees)
1 2 3 4 5 6
2. Managers and corporations should put right many of the ills caused by industrialisation.
1 2 3 4 5 6
3. It is the buyer's responsibility to ensure that his / her purchases are upto expectations.
1 2 3 4 5 6
4. It is the seller's responsibility to ensure that his / her products meet the buyer's expectations.
1 2 3 4 5 6
5. Employees are generally lazy and must be treated with firmness at all times.
1 2 3 4 5 6
6. Integrity and Honesty are impossible to uphold in day to day life at work.
1 2 3 4 5 6
7. Managers should locate industries wherever it is most profitable rather than for social reasons.
1 2 3 4 5 6
8. Managers do not need to be concerned with pollution, because it is a general problem which only government can solve.
1 2 3 4 5 6
9. Managers should give or be given time - off to be involved with social concerns.
1 2 3 4 5 6
10. Managers should take special account of disadvantaged groups when hiring or promoting staff, even if this reduces efficiency.
1 2 3 4 5 6

Appendix 6.C

Career Orientation Inventory

DeLong and Schein (1981)

CAREER ORIENTATIONS INVENTORY

Think back to your recent years in your career. By what kinds of criteria have you made decisions about job moves, company moves, whether or not to accept new assignments, and other career decisions. Think also about the kinds of criteria which are important to you as you think about future career decisions you will be making.

The items below are designed to help you identify what kind of criteria you have used in the past and which may be important to you in the future.

For each criterion, circle a number which best describes how important that criterion has been and continues to be in your career decisions.

If you feel that your present or future criteria are different from past ones, answer in terms of the present or future. We want to understand how you look at these criteria now and how they will influence future career decisions, even though some of them are worded in terms of the past.

There are no right or wrong answers, except in terms of their importance to you. So be honest with yourself.

HOW IMPORTANT IS EACH ONE OF THE FOLLOWING STATEMENTS FOR YOU?

	<u>Of no</u> <u>Importance</u>				<u>Centrally</u> <u>Important</u>
1. To build my career around some specific functional or technical area is	1	2	3	4	5 6
2. The process of supervising, influencing, leading and controlling people at all levels is	1	2	3	4	5 6
3. The chance to pursue my own lifestyle and not to be constrained by the rules of an organization is	1	2	3	4	5 6
4. An organization which will provide security through guaranteed work, benefits, good retirement program, etc. is	1	2	3	4	5 6
5. The use of my interpersonal and helping skills in the service of others is	1	2	3	4	5 6
6. Being identified with and gaining status from my occupation is	1	2	3	4	5 6
7. An endless variety of challenges in my career is	1	2	3	4	5 6
8. To be able to create or build something that is entirely my own product or idea is	1	2	3	4	5 6
9. Remaining in my specialized area as opposed to being promoted out of my area of expertise is	1	2	3	4	5 6

Of no Centrally
Importance Important

10. To be in a position of leadership and influence is . . . 1 2 3 4 5 6
11. A career which is free from organization restrictions is . 1 2 3 4 5 6
12. An organization which will give me long run stability is . 1 2 3 4 5 6
13. The process of seeing others change because of my effort .
is 1 2 3 4 5 6
14. To be recognized by my title and status is 1 2 3 4 5 6
15. A career which provides a maximum variety of types of
assignments and work projects is 1 2 3 4 5 6
16. The use of my skills in building a new business
enterprise is 1 2 3 4 5 6
17. Remaining in my area of expertise rather than being
promoted into general management is 1 2 3 4 5 6
18. To rise to a position in general management is 1 2 3 4 5 6
19. A career which permits a maximum of freedom and autonomy
to choose my own work, hours, etc., is 1 2 3 4 5 6
20. Remaining in one geographical area rather than being
prompted into moving because of a promotion is 1 2 3 4 5 6
21. Being able to use my skills and talents in the service
of an important cause is 1 2 3 4 5 6
22. Being identified with a powerful or prestigious
employer is 1 2 3 4 5 6

HOW TRUE IS EACH ONE OF THE FOLLOWING STATEMENTS FOR YOU?

Not at Completely
all true true

23. The excitement of participating in many areas of work
has been the underlying motivation behind my career. . . 1 2 3 4 5 6
24. I have been motivated throughout my career by the number
of ideas or products which I have been directly involved
in creating. 1 2 3 4 5 6
25. I will accept a management position only if it is in my
area of expertise. 1 2 3 4 5 6

- | | <u>Not at</u>
<u>all true</u> | <u>Completely</u>
<u>true</u> |
|---|----------------------------------|----------------------------------|
| 26.. I would like to reach a level of responsibility in an organization where my decisions really make a difference. | 1 2 3 4 5 6 | |
| 27.. During my career I have been mainly concerned with my own sense of freedom and autonomy. | 1 2 3 4 5 6 | |
| 28.. It is important for me to remain in my present geographical location rather than to move because of a promotion or new job assignment. | 1 2 3 4 5 6 | |
| 29.. I have always sought a career in which I could be of service to others. | 1 2 3 4 5 6 | |
| 30.. I like to be identified with a particular organization and the prestige that accompanies that organization. | 1 2 3 4 5 6 | |
| 31.. An endless variety of challenges is what I really want from my career. | 1 2 3 4 5 6 | |
| 32.. Entrepreneurial activities are an important part of my career. | 1 2 3 4 5 6 | |
| 33.. I would leave my company rather than be promoted out of my area of expertise. | 1 2 3 4 5 6 | |
| 34.. I want to achieve a position which gives me the opportunity to combine analytical competence with supervision of people. | 1 2 3 4 5 6 | |
| 35.. I do not want to be constrained by either an organization or the business world. | 1 2 3 4 5 6 | |
| 36.. I prefer to work for an organization which provides tenure (life-time employment). | 1 2 3 4 5 6 | |
| 37.. I want a career in which I can be committed and devoted to an important cause. | 1 2 3 4 5 6 | |
| 38.. I want others to identify me by my organization and my job title. | 1 2 3 4 5 6 | |
| 39.. I have been motivated throughout my career by using my talents in a variety of different areas of work. | 1 2 3 4 5 6 | |
| 40.. I have always wanted to start and build up a business of my own. | 1 2 3 4 5 6 | |
| 41.. I prefer to work for an organization which will permit me to remain in one geographical area. | 1 2 3 4 5 6 | |

Appendix 6.D

Repertory Grid Role Sheet and Grid
Corporate Responsibility

ROLE SHEET

Please name a COMPANY or ORGANISATION for each of the following descriptions with a brief explanation in the space provided. THE NAMES MUST NOT REPEAT. The names then need to be transferred in the same order onto the GRID at the back of this note.

1. The name of the Company or Organisation you currently work for (or most recently worked for).

.....

2. The name of a Company or Organisation you would most like to work for (except current).

.....

3. The name of a Company or Organisation you would DEFINITELY not work for.

.....

4. The name of a Company or Organisation you consider to be successful by your own criteria.

.....

5. The name of a Company or Organisation you consider to be unsuccessful by your own criteria.

.....

6. An INDIAN Company or Organisation which you consider makes a positive impact on the development of the country.

.....

7. An INDIAN Company or Organisation which you consider makes a negative impact on the development of the country.

.....

8. A MULTINATIONAL Company or Organisation which you consider makes a positive impact on the development of the country.

.....

9. A MULTINATIONAL Company or Organisation which you consider makes a negative impact on the development of the country.

.....

TEXT BOUND INTO THE SPINE

Name: _____

Date: _____

City: _____

(1)

(5)

Professionally managed

NOT Professionally managed

Good Working Conditions

Bad Working conditions

High Profit Motive

Low Profit Motive

Labour Intensive

Capital Intensive

High Technology

Low Technology

Transfer of Technology to India

Indegenous Technology

Benefits to India

Benefits go out of India

Benefits widespread

Benefits limited in society

Readiness to change

Resistance to change

Not Owner managed

Owner managed

High Power over market

Low power over market

Appendix 6.E

Repertory Grid Role Sheet and Grid
Individual Responsibility

ROLE SHEET

Please name people who fit the descriptions below. THE NAMES SHOULD NOT REPEAT. You are free to use initials, as the names are only important for part of the discussion, and are important ONLY TO YOU.

Names are not needed for 1,4 and 7 as these are self-evident. Please then transfer the Names or Initials to the GRID on the back of this role sheet in the same sequence.

1. SELF (As I am now)
2. A colleague at work you respect for being straightforward and concerned about others in the Organisation (and outside).
3. A colleague or business contact for whom you have no respect.
4. FATHER (or guardian)
5. A teacher at the last College / University for whom you have a great deal of respect.
6. A Colleague (peer/boss/subordinate) you feel is a hard worker, ambitious and will reach his/her career objectives.
7. MOTHER (or guardian)
8. A person who has made a deep impression on you and influenced some of your thinking.
9. A person who symbolises to you all that is negative, uncaring, selfish etc.,

With the names transferred to the GRID, we will attempt to develop a definition of Social Responsibility, using a methodology called Repertory Grid Technique.

ROLE SHEET

Please name people who fit the descriptions below. THE NAMES SHOULD NOT REPEAT. You are free to use initials, as the names are only important for part of the discussion, and are important ONLY TO YOU.

Names are not needed for 1,4 and 7 as these are self-evident. Please then transfer the Names or Initials to the GRID on the back of this role sheet in the same sequence.

1. SELF (As I am now)
2. A colleague at work you respect for being straightforward and concerned about others in the Organisation (and outside).
3. A colleague or business contact for whom you have no respect.
4. FATHER (or guardian)
5. A teacher at the last College / University for whom you have a great deal of respect.
6. A Colleague (peer/boss/subordinate) you feel is a hard worker, ambitious and will reach his/her career objectives.
7. MOTHER (or guardian)
8. A person who has made a deep impression on you and influenced some of your thinking.
9. A person who symbolises to you all that is negative, uncaring, selfish etc.,

With the names transferred to the GRID, we will attempt to develop a definition of Social Responsibility, using a methodology called Repertory Grid Technique.

TEXT BOUND INTO THE SPINE

Name:

Date:

City:

PAIR

(5)

SINGLETON

Appendix 7.A

Data of fathers' level of seniority
non-MBAs and MBAs

Appendix 7.A

Fathers' Jobs non-MBAs, n = 53					
frequency of "level of seniority of fathers"					
+++++					
	Senior		Middle		Lower
	1	2	3	4	5

Civil Service		7	8		2
Railways	2				
Army		1			
Own Business/ Farming	1	8	3		
Large Company employee		1	2		1
in the private sector					
Ditto, Public Sector	1				
Advocate / Lawyer		3			
Doctor	1	2			
Consultant		2	1		
Engineering			1	1	
Senior Research Officer				1	
Teaching		2			
Mechanic, skilled labour					1

Not Given = 1	5	26	15	2	4

+++++					
Fathers' Jobs MBAs, n = 57					
frequency of "level of seniority of fathers"					
+++++					
	Senior		Middle		Lower
	1	2	3	4	5

Civil Service	4	14	3	1	
Railways	1	1	2		
Army		7			
Own Business / Farming	3	4			
Manager in the private					
sector	1	3		1	
Doctor, alopathic and					
alternative medicine		3			
Consultant (UN)	1	2			
Engineering		1			
Architect		1			
Journalist			1		
Police		1			
Teaching			1	1	

	10	37	7	3	0
+++++					

Appendix 9.A

Data to determine the angular distances in figures
9.0, 9.1 and 9.2

Appendix 9.A

Angular distances of constructs 1,7 and 8 from the others
+++++

Distance from other constructs in degrees		% of 360 degrees		Rank		Difference from Construct 1 in %		
MBAs	n MBAs	MBAs	n MBAs	MBAs	n MBAs	MBAs	n MBAs	

Construct 1 relative to other constructs:								
1								
2	44	39	12	11	1	1	12	11
3	80	68	23	19	8	5	1	1
4	97	102	27	28	10	10	3	3
5	67	61	19	17	3.5	3	4	2
6	73	64	21	18	6	4	1	1
7	87	89	24	25	9	9	1	4
8	75	71	22	20	7	7	1	1
9	53	53	15	15	2	2	3	4
10	67	76	19	21	3.5	8	0	1
11	71	69	20	19	5	6	1	0

Construct 7 relative to other constructs

1	87	89	24.2	24.7	4	7	2.3	1.7
2	88	83	24.4	23.0	5.5	5.5	0.2	0.3
3	102	102	28.3	28.3	10	10	2.5	3.3
4	91	82	25.3	22.7	7	4	0.9	1.3
5	71	77	19.7	21.4	2	3	2.8	0.3
6	92	90	25.5	25.0	8	8.5	0.2	0.3
7	-	-	-	-	-	-	-	-
8	61	61	16.9	16.9	1	1	16.9	16.9
9	79	76	21.9	21.1	3	2	2.2	1.3
10	93	90	25.8	25.0	9	8.5	0.3	0.0
11	88	83	24.4	23.0	5.5	5.5	0.0	0.0

Construct 8 relative to others

1	75	71	20.8	19.7	3	3.5	0.8	1.4
2	79	71	21.9	19.7	6	3.5	0.5	0.0
3	108	93	30.0	25.8	10	10	3.9	1.6
4	94	87	26.1	24.2	9	9	2.8	1.7
5	72	72	20.0	20.0	2	6	3.1	0.3
6	84	81	23.3	22.5	8	8	1.1	1.1
7	61	61	16.9	16.9	1	1	16.9	16.9
8	-	-	-	-	-	-	-	-
9	80	66	22.2	18.3	7	2	0.3	1.4
10	76	77	21.1	21.4	4	7	0.3	1.4
11	77	71	21.4	19.7	5	3.5	0.3	0.0

Appendix 10.A

Ravi Mathai

Former Director of the IIM in Ahmedabad

(Source; special issue of "Alumnus", IIM-Ahmedabad, 1984)

EXPERIMENTER IN SOCIAL PROCESSES

—Udal Pareek*

It is difficult to believe that Ravi is no more with us; he was so full of vitality, and had been defying death for quite sometime. I worked with Ravi quite closely, and in each interaction with him I admired the qualities he so effortlessly lived and showed in his behaviour. He was an effective institution builder, an enthusiastic experimenter in social processes, and above all a great human being. He had a rare combination of seriously debating the social diagnosis and spontaneously laughing like a child; he so uniquely combined wisdom and sagacity with spontaneity and openness, not to let either of them contaminate the other.

Once we were working in a village. Ravi would get up early before daybreak, wake up others and we would leave early morning for the meetings in villages. He worked all day long, without any rest. We would discuss several alternatives on our return to the house. And we would go on long walks later. There was a nice lake near the village. On some occasions Ravi would play lilting melodies on the flute in the full moon, creating an ethereal atmosphere in which we (including Ravi)

*Professor, Indian Institute of Management, Ahmedabad. (on leave), currently on an international consulting assignment in Indonesia.

(From page 12)

To a generation of students and colleagues Ravi was a philosopher and guide. A few were privileged to have him as their friend as well. To that small circle he was not legendary Ravi Matthai of the IIMA, and later Jawaja, fame. He was a cheerful man, with a hypnotic voice, an infectious laughter, warm concern and no guile. My wife and

would lose the sense of place and time, and be absorbed in the haunting flute notes soaring in the still night. Ravi was a great institution builder. IIM is, of course, a monument to his institution building ability. He strove to build new institutions, through his advisory role, and by directly working in the villages. He built institutions around people. He respected people (at all levels, including the villages), gave them the credit for success they deserved, and provided all kinds of support. He catalyzed action for inter-institutional collaboration.

After relinquishing the Director's role, he travelled to new fields, and was moved by the anguish of the people to experiment with new managerial approaches to the basic problems of the people in the villages. He was so involved that he saw no price too high for his new efforts, not even his life. In spite of several warnings and concern shown by his friends about his health, he was irresistibly drawn to the villages, with greater anguish, and yet with growing hope. He will continue to live in his students, in a large community of "students" of his "rural university", in the groups he created, and in his colleagues who will continue to be inspired by his commitment, dedication and humanity. We will always miss him on all occasions.

children felt as bereft as I when they heard of his death. And that is the measure of his impact as a person on all those who came in contact with him, in fleeting encounters or in long-term relationships, as professional colleagues or casual acquaintances. For all of them he remains a very special person

"Let us...sing in praise of such a professional man and let us also adopt his motto: "One must do one's damndest."

—S. K. Bhattacharyya in *Business India*
February 27–March 11, 1984