

FORMING MANAGERS IN A BUSINESS SCHOOL For 'The Good Company' THE MOTHER TERESA AWARD

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Abstract

The Mother Teresa Award has not only clarified to us the new dimensions and opportunities available to a company for becoming 'good' but has also served as an effective pedagogical tool for educating the future managers of the institute and for sensitizing the corporates themselves and the general public regarding the need for becoming a 'good company'

Introducing LIBA

The Loyola Institute of Business Administration, popularly known as LIBA was established in 1979, thanks to the long-term vision of the Society of Jesus, in the idyllic and sprawling campus of Loyola College, Chennai, Tamil Nadu, India. It was instituted as the result of the Jesuits identifying the need to found an institute in this part of the country that would provide quality and ethics based management education. The institute commenced its educational endeavour with the inauguration of a three year part time Post Graduate Diploma in Business Administration (PGDBA) for working executives in 1979. Later, from July 1995, it has been offering a two year Full time Programme leading to the Post Graduate Diploma in Business Administration. Both the Part time and Full Time Programmes have been recognized by the All India Council for Technical Education (AICTE) and recognized as equivalent to MBA by the national association of Indian Universities. Presently, we have 240 Full Time and 180 Part Time students undergoing the Post Graduate Diploma Programme in Business Administration. We have 15 Full Time Faculty and more than 50 Guest Faculty involved in the PGDBA Programme.

Though LIBA has been started with the avowed objective of providing management education in a Christian atmosphere to deserving Catholic students, it admits students of other communities as well, irrespective of caste and creed. It is an academic institution wedded to the promotion of national development by educating and training future entrepreneurs and managers, who will be professionally competent, ethically conscious and have a compassionate concern for the welfare of the weak and underprivileged in society. In consonance with the vision of its founders, the mission of LIBA is to shape its students as agents of social and economic change through value based management education they acquire at the Institute. In a short span of two decades, LIBA has earned a reputation as one of the best run Business Schools in South India.

Ethics and Social Responsibility of Business:

LIBA has a unique identity of its own. It attempts to emphasise in its management programme the Ethics and Social Responsibility of Business. With this end in view, LIBA has introduced certain modules in the core curriculum of the PGDBA Programme keeping in view

the socio-economic objectives we want the students of LIBA to imbibe. We have introduced as part of our curriculum a full fledged Business Ethics course from the academic year 1998-99.

Mother Teresa Award

With the completion of about two decades of its existence in 1998, it was thought appropriate to bring to the fore the institute's unique identity and mission. In keeping with its strong and sustained social orientation, LIBA has instituted in the name of that Angel of Mercy and Compassion, Mother Teresa, an Award to showcase a corporate which rendered services to the socially weak and disadvantaged sections of the society, far beyond the call of its duties and responsibilities.

The Concept of Corporate Citizen (The good Company)

As conceived by LIBA, a model corporate citizen is a company, which is professionally managed with a consistent and persistent focus on its business mission blending with it a social vision which reveals its abiding concern for the economic upliftment of the disadvantaged sections of its neighbourhood community in particular and the larger society in general. Any listed corporate is eligible for the consideration of the award.

Information sought from the Company

1	Listed Companies	Information Provided by the company
2	Mission Statement	Contribution towards social benefits, business ethics, employee empowerment and efforts towards achieving quality standard.
3	Awards won	Significance of the importance of the awards won.
4	Public Image	Our perception about the company from Newspapers, magazine etc.
5	Quality and Customer Satisfaction	Letters enclosed by the Company Company's attitude towards quality and customer satisfaction such as achieving ISO standards. Our perception about the company's product.
6	Dividend Record	Rate of dividend Regularity of dividend Dividend Policy of the Company
7	Employee welfare	Benefits provided to the employee Innovative employee benefits scheme Expenditure incurred on salaries and other employee related benefits
8	Welfare scheme for neighbourhood	based on information provided by the company Expenditure incurred by the company Number of beneficiaries of the scheme and Letters from beneficiaries.
9	Beneficiaries of welfare Schemes rural	Based on information provided by the company Expenditure incurred by the company Number of beneficiaries of the scheme.

10	Permanent Project	Hospitals, Dispensaries, Schools etc maintained on permanent basis
11	Environment protection	Steps taken to reduce pollution caused by the company. Steps taken for environmental protection for neighbours such as raising green belts. Finding alternative use for the waste generated by the company.
12	Promotion of ancillary units	Creating additional employment
13	Scheme for deprived and disadvantaged	Employment provided for the underprivileged such as handicapped persons. Training and skill development programmes run for the under privileged
14	Litigation	Nature of litigation in which the company is involved.

Eligibility and Criteria for the Award:

Based on the above information, seven Distinct **criteria** are being considered in the process of selection of the awardee. These are:

1. Commitment to quality and customer satisfaction.
2. Pursuit of value addition for shareholders as a consistent goal.
3. Harmonious industrial relations with employee welfare as its strong foundation.
4. Distinct sponsorship and active involvement in permanent projects which promote the social and economic empowerment of the poor, the disabled and the marginalized sections of its neighbourhood.
5. Concern for environmental protection including adoption of eco-friendly technology.
6. Promotion of ancillary units with emphasis on training and development and on employment generation.
7. Explicit recognition of social responsibility.

The process of Selection of the Awardee:

LIBA constitutes an Award Committee consisting of persons of eminence known for their social commitment and wide experience to identify and select a corporate that fulfills the requirements to receive the Award. Loyola centre for “Business ethics and Corporate Governance” closely monitors the process of selection.

Companies are invited to apply for the Award through an advertisement in national newspapers (see annexure 1). The jury meets and decides on the criteria to be adopted to select the awardee. Our students scrutinize the reports sent by the companies. They also use secondary data to countercheck the statements and throw more light on the activities of the companies. Based on the ranking and detailed reports provided by the students, the jury will shortlist three companies for the final presentation.

The short listed companies will make the final presentation in the presence of the jury, the faculty and students of LIBA. A straw vote is taken from the audience.

After careful consideration and discussion, the jury unanimously chooses the winner of the Award for their significant contribution towards the society. The runners up will receive a special **commendation** during the award ceremony.

The Recipients of the Award: 1998-2004

- 1998 : The award was given to **Titan Industries** by **Shri. Ramakrishna Hegde**, Honourable Minister of Commerce, Govt. of India
- 1999 : The award was given to **Tamil Nadu Newsprint and Paper Ltd (TNPL)** by **Shri. Montek Singh Ahluwalia**, Member, Planning Commission, Govt. of India.
- 2000 : The award was given to **Orchid Chemicals & Pharmaceuticals Ltd** by **Shri. Murasoli Maran**, Honourable Minister of Commerce, Govt. of India
- 2001 : The award was given to **Indian Oil Corporation Ltd** by **Shri. N. Rangachary**, Chairman, Insurance Regulatory & Development Authority.
- 2002 : The award was given to **Shriram Investments Ltd** by **Prof. M.S. Swaminathan**, F.R.S., Chairman, M.S. Swaminathan Research Foundation, Chennai.
- 2003 : The award was given to **Polaris Software Lab Ltd** by **Shri. P. Shankar, IAS**, Chief Vigilance Commissioner, Govt. of India.
- 2004 : The award was given to **TVS Motor Company** by **Shri. M.Damodaran**, Chairman, SEBI, Govt. of India.

Presentation of the Award:

The Mother Teresa Award is presented annually under the aegis of the Loyola Centre for business Ethics and Corporate Governance in a glittering public function held at LIBA and presided over by an eminent public figure who also delivers an Oration on an ethical issue of current importance. The recipient of the award gives the acceptance speech.

The outcomes:

D) The concept of ‘the good company’:

- i. We reached among ourselves **grater clarity regarding the concept of “the good company” itself**. A good company is one that **organically integrates** corporate social committment with its legitimate business goals rather than tend to treat it as a mere charitable extension of its profile for benefiting the needy in its neighbourhood. We could quote as an example **Titan Industries Limited** the first recipient of the Mother Teresa award in 1998; Titan was conferred this recognition for the following two specific initiatives of social concern which they have integrated with their legitimate business goals:
 - The Employment of the handicapped: Through a conscious effort to provide them employment, Titan employs in its plants in Hosur and Dehra Dun, one hundred and sixty nine physically handicapped persons. These handicapped comprise hearing handicapped, persons with movement impairments and the visually handicapped.
 - An income generation project for rural women in association with the Mysore Rehabilitation and Development Agency – MYRADA: In concert with MYRADA, Titan has initiated a project in Denkanikota in which, to date (1998), one hundred and sixty four unemployed young ladies have participated. Components of watch straps are dispatched to the unit in Denkanikota for

assembly and return. Through a scheme conceived by MYRADA, these young ladies are today part owners of the enterprise.

Similarly the recipient of the award for 1999, **Tamil Nadu Newsprint and Paper limited** was conferred the award for enabling irrigation of arid land in the company's neighbourhood through proper treatment of its effluents and thus making a tangible contribution to the upliftment of peasant families.

- ii Another important aspect of “the good company” is the involvement of all the employees in the social projects initiated. A “good company” does not relegate the concern for social responsibility to a few at the top or to a separate department / cell. Through a participative process, the management and the employees together develop a concern for the welfare of the neighbourhood: Thus for example **Polaris Software limited** was presented with the Mother Teresa Award for corporate citizen for the year 2003, not only for its deep commitment to the cause of the poor especially of the youth from the underprivileged sections but was especially commended ‘for devising a successful system for involving all its employees in its social service activities’
- iii “The good company” also puts Systems and Procedures in place so that the good work done is carried further into the future and there is continuity of the welfare schemes once initiated. Thus for e.g: **SHIRAM Investments Ltd** was conferred the Mother Teresa Award for corporate citizen 2002 : “Apart from initiating various welfare measures giving evidence of its social responsibility, the company was commended for “devising and building a successful delivery system within the organisation to continually execute social welfare Programmes”. Similarly **Larson & Turbo limited** (2003) was commended for institution of Family Planning and HIV awareness programme and putting in place a set up to ensure it on an ongoing and continuous basis.
- iv We also find that ‘the good company’ in its welfare measures can focus on measures that does the greatest good to the greatest number of people possible:
For e.g: a Public sector, enterprise **Tamil Nadu News Print & Papers Limited (1999)** was recognized for its “successfully employing an eco friendly technology”. Similarly “**The orchid chemicals & Pharmaceuticals limited**” (2001) “took conscious measures at considerable cost to eliminate industrial pollution by totally re-cycling the waste from its plants”. Similarly **Indian Oil Corporation limited (2001)** for ‘its abiding commitment to gender equity’ and “for its concern for environmental protection in establishing green field projects around its factories and facilities”. Similarly **SHIRAM Investments Ltd (2002)** for its consistent and eminently successful search “for being a vehicle of prosperity to the largest number of common people, singular commitment to gender equality, and abiding commitment to environmental protection”. Similarly **Polaris Software Lab limited (2003)** has been commended for its abiding commitment to gender equality and for the environment and its being a green company in establishing a sewage treatment plant for water conservation”. Similarly **TVS Motor Company** was conferred the Award (2004) for its promotion of “Hundreds of self Help groups that are engaged in income generation activities for the benefit of the poor and the neglected all over the state and for its concern

for environment protection in establishing Greenfield projects not only in and around its factories and facilities but also in far off locations that need to be habitable”.

Thus the nomination of the different companies for the Mother Teresa Award has brought to the fore certain important dimensions that the company considered as “a good citizen” could incorporate into its practice of social responsibility; Some of these among others are:

- I. Organic Integration of corporate social commitment with the legitimate business goals of a company chiefly as reflected in the mission statement of the company.
- II. The involvement of all the members of the company – the management and the staff in the welfare measures initiated by the company thus helping to bring about a sense of social responsibility among all the members
- III. Setting up of systems and procedures to ensure continuity of the good work once initiated.
- IV. A concern for the greatest good of the greatest number of people.

These are some of the new dimensions of social responsibility that have come to light in our search for ‘the good company’ to be nominated for the Mother Teresa Award.

II) A Pedagogical Tool:

Apart from clarifying to ourselves how more profoundly the company can play its role in the society as a ‘good citizen’, the selection and the conferring of the Mother Teresa Award has proved to be an **educative process** in itself. The participative selection process of the awardee in which the staff and students of the institute are fully involved, sensitizes them to the ethics and social responsibility of business far more effectively than any member of lectures and reading material on the subject. This has proved to be so in practice through the avowed testimony of the faculty and students:

- i. First our faculty and students closely study, discuss and refine the criteria involved in the selection of the awardee. These criteria have been listed above. This process of refinement of the criteria helps them understand how ‘the good company’ apart from conducting its business profitably can contribute to the welfare of the society and how this concern for the welfare of the society ought to be embedded in the mission statement of the company and be organically linked to its day to day functioning.
- ii. Once the students are clear about the criteria for selecting “the good company”, they examine critically the applicants who have responded to our invitation calling for nominations for the award published in the leading dailies. Our students under the guidance of the faculty make an indepth study of the data provided by the companies. They gather additional data about the prospective corporates by searching the internet, by gathering relevant information from magazines and periodicals and through their own personal enquiries about the company and make a presentation of all the data collected about the company together with their considered opinion about the company before the jury of eminent people appointed to decide on the awardee. They also present the Jury with a score card of points awarded to each of the companies on the basis of the criteria evolved earlier. The difference in score points awarded earlier by the students is discussed indepth by the students in front of the faculty and a consensus arrived at and a common score card of points is finally presented to the Jury (One such sample score card is enclosed). The

jury after viewing these presentations and examining the score card makes an assessment on their own of the prospective corporates after a discussion among themselves.

iii. They finally shortlist three companies and senior executives from these companies are asked to make a presentation before the Jury, the staff and students. They also answer queries raised by the participants. At the end, the staff and students are asked to rank order the companies as to who they would consider to be suitable for the award. This is done by circulating a paper among the staff and students and the rank ordering is duly weighted with points and the Jury then announces the name of the company who will receive the Mother Teresa Award. The other two who are runners up in the competition will be presented with “Commendations” at the Mother Teresa Award Function.

This elaborate process of the selection of the awardee involving the jury, staff and students being participative in nature, helps to highly sensitize the students who would be future managers to ethics and corporate social responsibility.

III. The Award helps educate not only the staff and students of the institute but also the corporates in the field. They closely follow the event and attempt in course of time to emulate ‘the good company’ that has been singled out for recognition. The number of claimants for the award have increased from 10 in 1998 to nearly 120 in 2005. These corporates have come to realize what ‘a good company’ is and the need to become one themselves.

IV. The wide coverage given to the glittering Award Function in the media and the oration given by an eminent person on the occasion make the public aware of how ‘a good company’ ought to behave. After reading the coverage given to the function, a good number of people in their letters to the editor apart from congratulating the recipient of the award, express a keen desire that many more companies must emulate the awardee and become ‘good companies’ themselves.

Thus the Mother Teresa Award has not only clarified to us the new dimensions and opportunities available to a company for becoming ‘good’ but has also served as an effective pedagogical tool for educating the future managers of the institute and for sensitizing the corporates themselves and the public regarding the need for becoming the ‘Good Company’

The following annexures are attached herewith:

Annexure 1 : A Sample Advertisement calling for nominations

Annexure 2 : Proforma to companies seeking preliminary information.

Annexure 3 : The sample score sheet prepared by students

Annexure 4 : A sample of citation of the conferment of the award (To TVS Motor Company Ltd 2004)

Annexure : 1 A Sample Advertisement calling for nominations

The greatness of an organisation is measured by what it gives, not by what it does.



Loyola Institute of Business Administration (LIBA)

announces the

Mother Teresa Award for Corporate Citizen 1998



Honouring corporate business houses for outstanding involvement in social welfare, besides being a successful business enterprise.

LIBA is a 20 year old academic institution continually striving to prepare managers who will be professionally competent, ethically conscious and have a compassionate concern for the welfare of the weak and the underprivileged. In keeping with this effort, LIBA has for the first time instituted an endowment for recognising and commending a corporate business house showing similar responsibility.

Listed Public Companies engaged in manufacturing, with an annual turnover not exceeding Rs. 1000 crores are eligible for the award.

Nomination forms for the award can be obtained from:

THE DIRECTOR - LIBA,
LOYOLA COLLEGE,
CHENNAI - 600 034.

Phone - 8280088 / 8220088. Fax - 044-8283183.

The last date for receipt of completed nomination forms is **December 15, 1998.**

22, 1998

Annexure : 2 Proforma to companies seeking preliminary information

PROFORMA

1. GENERAL DETAILS:

Please provide details on the following, with supporting documents :

- a) Name of the Company :
- b) Year of Incorporation :
- c) Manufacturing Activities engaged in:
- d) Ownership Pattern :

<input type="checkbox"/> Closely Held	<input type="checkbox"/> Family Oriented
<input type="checkbox"/> Widely Held	<input type="checkbox"/> Professionally-Managed
- e) Year Turnover Profit before Tax Profit after Tax Dividend Paid

1995-'96				
1996-'97				
1997-'98				
- e) Number of employees :

2. CORPORATE GOVERNANCE:

Please provide details on the following with supporting documents:

- a) Corporate Philosophy/Mission Statement
- b) Corporate Policy with regard to

(i) Employees	(ii) Suppliers	(iii) Customers	(iv) Shareholders
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- c) Transparency with regard to administration :
- d) Social Audit undertaken recently :

3. WELFARE-ACTIVITIES UNDERTAKEN:

Please provide information on the following activities undertaken by the Company with details of results achieved:

- | | |
|--|---|
| <ul style="list-style-type: none"> ◆ Medical ◆ Social/Cultural/Religious ◆ Professional Training ◆ Educational ◆ Institution of Prizes/Awards ◆ Public Causes ◆ Agriculture related ◆ Small Scale Industries | <ul style="list-style-type: none"> ◆ Environment Preservation ◆ Special Surveys Undertaken ◆ Homes for the Aged/Handicapped/Mentally retarded ◆ Sponsorship of social welfare activities ◆ Adoption of villages ◆ Integrated Rural Development Programmes ◆ Women related Projects |
|--|---|

4. COMMENDATIONS RECEIVED FROM:

- | | |
|--|---|
| <ul style="list-style-type: none"> ◆ Press ◆ Trade Bodies/Associations ◆ Customers ◆ Shareholders ◆ Employees | <ul style="list-style-type: none"> ◆ Government ◆ NGOS ◆ Public Acclamations/Receptions ◆ Recipients of 'Help/Services from the Company ◆ Educational/Social/Cultural Bodies |
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Annexure 3 : The Sample Score sheet prepared by students

Mother Theresa Award
Score Sheet

S. No	Company Name	Listed	Maxim Statement	Awards Won	Public Image	Quality & Customer Satisfaction	Dividend Record	Employee Welfare	Welfare schemes for neighbours	Beneficiaries of Welfare schemes (Rural)	Permanent Projects (Education Health etc)	Environmental Protection	Promotion of Ancillary Units	Schemes for the deprived & Disadvantaged	Total Score
1	Hindustan Organic Chemicals Ltd	5	3	5	3	3	1	4	3	1	3	4	3	4	42
2	Dr. Reddy's Laboratories	5	4	3	5	5	5	4	5	5	5	4	4	5	59
3	Alembic Chemical Works Ltd	5	3	2	3	3	4	2	3	4	2	---	---	2	33
4	TVS Electronics	5	5	---	4	4	4	3	3	3	2	---	2	2	37
5	Sechasyee Papers & Boards Ltd	5	4	3	3	3	1	3	3	2	---	4	---	---	31
6	Tube Investments of India Ltd	5	5	---	4	4	1	4	4	4	5	3	---	2	41
7	Sundaram Fasteners Ltd	5	4	5	5	5	2	4	4	4	3	4	---	2	47
8	United Phosphorus	5	4	5	4	4	5	5	5	5	4	5	---	2	53
9	Madras Cements Ltd	5	4	3	4	4	5	3	---	3	2	4	---	1	38
10	Titan Industries Ltd	5	4	5	5	5	4	5	4	5	5	4	4	5	60
11	Nagarjuna Fertilizers & Chemicals Ltd	5	5	5	4	4	5	3	5	5	5	5	4	3	58
12	Britannia Industries Ltd	5	3	3	5	5	5	3	3	---	4	---	4	5	45
13	Kiloskar Brothers Ltd	5	4	4	5	4	5	4	4	4	4	4	4	5	56

1. Maximum Score $13 * 5 = 65$.

2. ----- Indicate information not provided by the company

Annexure : 4 A Sample citation of the conferment of the award (To TVS Motor Company Ltd 2004)



LOYOLA INSTITUTE OF BUSINESS ADMINISTRATION (LIBA)

deems it a privilege to present

TVS MOTOR COMPANY LIMITED

MOTHER TERESA AWARD FOR CORPORATE CITIZEN 2004

for the Company's outstanding social commitment and commendable involvement in programmes of corporate responsibility far beyond the call of duty, especially

- i) for its unflinching adherence to quality, excellence and promotion of shareholder value;
- ii) for its deep involvement in programmes that promote socio-economic empowerment of the poor, the disabled and the disadvantaged sections of society through Srinivasan Services Trust;
- iii) for its promotion of hundreds of Self Help Groups that are engaged in income generation activities for the benefit of the poor and the neglected; and
- iv) for its concern for environment protection in establishing greenfield projects not only in and around its factories and facilities, but also in far off locations that need to be habitable.

Fr.P. Christie S.J.
Director, LIBA