

PGDM (RM); Batch: 2016-18
Responsible Business
Trimester – III, End term Examination: March 2017
RM-309

Time allowed: 2 Hrs 30 Mins

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper. Writing anything except the Roll No will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Section A

Marks: 3 x 5 = 15

Students are required to answer 3 out of 5 questions. All questions carry equal marks.

- Q 1. Differentiate between Corporate Social Responsibility (CSR) and Sustainable Development.
- Q 2. Explain the concept of triple-bottom line. Who propounded this concept and when?
- Q 3. Explain the salient features of Carroll's Pyramid of Corporate Social Responsibility (CSR)?
- Q 4. Business Responsibility Report is a tool for adoption of responsible business practices? Explain.
- Q 5. Explain difference between circular and linear economy. Give example of one company which operates on the principles of circular economy?

Section B

Marks: 2 x 10 = 20

Students are required to answer 2 out of 3 questions. All questions carry equal marks.

- Q 1. Explain the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business?
- Q 2. When and why was the UN Global Compact (UNGC) launched? Explain the principles of UNGC.
- Q 3. Explain the salient features of Section 135 of the Companies ACT 2013.

Section C

Marks: 15

Please study the case study and answer the questions given at the end of case study.

Similar to many industries across India, the trucking industry faces immense challenges in finding and retaining reliable and skilled labor. The National Skills Development Corporation (NSDC) predicts the supply-demand gap to worsen in coming years: while there are currently 20 lakh vehicles sitting idle due to lack of drivers, the trucking industry will demand over 50 lakh drivers from 2010-20 to fulfill the requirements of the industry's growth.

Today, all the Industrial Training Institutes (ITIs) across India only produce 20,000 drivers per year. In addition to facing a supply shortage, the industry also faces challenges with safety. Undertrained drivers may cause accidents, which are often fatal. India has the highest road fatalities in the world with 120,000 deaths annually. Seventy-eight percent of these deaths occur due to error of drivers with the largest number of fatalities (24%) involving commercial trucks.

Tata Motors Limited (TML) one of the largest automobile companies in India, is the market leader in the commercial vehicle segments. TML identified the supply of trained drivers as a vital link in their value chain as their customers' future growth will be limited by the ability to find qualified drivers and thus will not purchase additional trucks. One estimate indicates that the driver shortage could slow growth in commercial vehicle sales from 25% to 20% - at a time when expanded, improved highways systems should bring booming growth to the industry. Further, improving the quality and safety of drivers will positively impact society by reducing road accidents and fatalities. To meet the need for better trained drivers, TML has set an ambitious target to train 3.4 million drivers in ten years.

In order to improve the safety of truck drivers and initiate roadside safety awareness across India, Tata designed and implemented a fee-based driver training course. This initiative was the first CSR program that was closely aligned with Tata's business of manufacturing trucks and poised to give fillip to the growth of the sector. It is a part-time course spread across 45 days' to allow trainees to maintain employment during training. TML developed the course content and in initial stage prepared a cadre of trainers who will be required to train other aspiring youths. To scale and achieve the 3.4 million trainees in a decade, Tata partnered with its dealers, the government, and non-profits to implement the program across co-branded training centers. This has worked particularly well with the 21 government it is adopted by TML and an additional 100 ITIs are being adopted in future.

Turn Over

One of the **private** sector's largest contributions to skills development in this sector is developing a **relevant and quality content**. However, private companies often lack the resources to **scale** quality programs on their own. By partnering with the government and NGOs **there is possibility of up scaling and increasing the outreach**. TML **successfully leveraged** its core competency of content development and network if IITs to achieve **scale**.

Tata has **trained over 500 youths** in driving and motor mechanics trades with capacity being expanded to train 25,000 youths from 2012-2015. By providing funding and its industry knowledge to develop a high-quality curriculum, Tata is actively building upon the foundation of existing ITIs to improve their quality and scale of their offerings. As skills shortages are in many industries in India, this public-private partnership model for training is becoming a win-win solution: industry gets appropriately trained workers and many defunct ITI centers are successfully turned around or further scaled up.

On the basis of above case study, answer the following questions. Each question carry equal marks. (3 x5 =15)

- Q 1. Based on facts narrated above, explain the concept of "Shared Value". Who propounded this concept.?
- Q 2. Describe the approach adopted by Tata Motors Limited to create shared value?
- Q 3. On the basis of case study explain key differences between CSR and concept of Shared Value i.e., CSV.