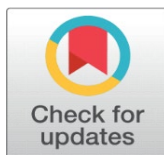


CSR: A CASE STUDY OF TATA GROUP IN INDIA

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ABSTRACT

No doubt “profitability” has been the driving force and an undercurrent behind all developments; but coin has two faces, that are growing competition levels and extreme business rivalries started taking a toll on environment, quality, transparency and the society. The business chamber houses realized that they have to rise over the thinking of profitability and have to take care of all those people who are associated with them in the society directly or indirectly. This realization of business chamber houses resulted towards the concept of Corporate Social Responsibility (CSR). This research study revolves around the understanding of corporate social responsibility (CSR) and identifying its scope by taking the case study of the TATA Group under flagship of Mr. Ratan Tata who has shown the way of responsibility towards the protection methods of the environment and upliftment of entire common masses and development of Indian nation.

Keywords: Corporate Social Responsibility, Employee, Profitability, Society, Stakeholders

1. INTRODUCTION

The Tata Group operates more than 80 companies ranging from steel, automobiles, software, consumer goods and telecommunications. Tata group has around 750,000 employees across India and has retained the pride to be nation's largest private employer. Mr. Ratan Tata has led Tata Group successfully. Mr. Ratan Tata was trained as an architect from New York's Cornell University, he choose to enter the family business. He took over the Chairmanship of the Group in 1991 and was holding the Chairmanship till 2012 and again he was appointed as interim Chairman from October 216 to February 2017. He was named Business Man of the Year for Asia by Forbes in year 2004; Mr. Ratan Tata serves for the board of Ford Foundation and the program board of the Bill & Melinda Gates Foundation's India AIDS initiative. Tata group utilizes its net profit on an average of 8 to 14 percent of every year for various social responsibilities. When economic conditions were adverse in the late 1990s, the financial commitments of the Tata group towards social activities always kept on increasing from Rs 670 million in 1997-98 to Rs 1.36 billion in 1999-2000. Tata Steel alone spent Rs 45 crore on social services respectively in the year 2004. The study of this research paper is focused on the corporate social responsibilities of Tata Group under flagship of Mr. Ratan Tata.

2. LITERATURE REVIEW

Frederick [1960], the study states that social responsibilities means overseeing the operations of economic system by the businessmen and fulfill the expectations of the people.

Davis [1960] the study states that social responsibility is a nebulous idea and can be seen in managerial context. The author says that some socially responsibilities decisions of business should be for a long term and complicated processes of reasoning has good chance of bringing long term economic gains to the firms and paying it back in terms of socially responsibility.

Goyder [2003], the study states that in 20th century there cannot be any private arrangements for enriching shareholders. The author states that it has become a joint enterprise effort in which, management, workers, customers, government bodies and trade union members all play their respective roles. The study says the system which is known by the name of private enterprise is to be continued and in some ways must find interests in industry for common purposes.

3. OBJECTIVES

The objectives are as follows:

- To study the concept of CSR.
- To explore the Tata Group activities, programs and strategies it has set and implemented for CSR in its business group.

4. RESEARCH METHODOLOGY

Exhaustive survey regarding the topic and related concepts has been conducted. The study of this paper is secondary in nature, it is inclusive of quantitative and qualitative data and it was also collected from various resources including books, research papers, newspapers and magazine articles and websites are also used for the purpose of research study.

5. CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

Responsibility towards Employees - Employees are the most important asset of any organization. Following are some of the responsibilities that corporate entities has towards its employees:

- Timely salary payment
- Hygienic working environment
- Good behavior
- Health care safety
- Recreational activities
- Involving employees to take part in managerial decisions also

Responsibility towards shareholders - It is the responsibility of the company to keep the shareholders investment safe and provide a reasonable return on their investments.

Responsibility towards state - The entity has to pay certain share as per the income tax laws from their profit available. The corporate entities maintain transparency regarding the profit and loss account and the balance sheet.

Responsibility towards consumers - The entity should always maintain high level of quality standards at affordable prices.

Responsibility towards environment - Organization should take the responsibility to protect the environment. Companies should always produce eco -friendly products and should take care of industrial waste management for the society.

Responsibility towards itself - It is the responsibility of the company to run its business and work towards growth and its expansion and stability of its business to earn maximum profits. If the company wants to achieve social and economic benefits organization efficiency should be boosted up.

6. CSR ACTIVITIES, PROGRAMS AND STRATEGIES OF TATA GROUP

Tata group keeps the fulfillment of corporate social responsibility (CSR) through the following companies in the society:

- **Tata Steel**

This Company has adopted towards the Corporate Citizenship Index and Tata Business Excellence Model and even the Tata Index for Sustainable Development. The brand Tata Steel spends upto 5% to 7% of its profit after tax on many CSR activities.

- **Self-Help Groups (SHG's)**

More than 500+ self-help groups are working currently under different poverty alleviation programs and out of those 500+ groups, more than 200 groups are continuously engaged in activities for income generation through micro enterprises. Through Self-Help Groups 700 villages have been benefited through Women empowerment programs. The maternal and infant survival project has covered up to 42 villages from Gamharia block to Seraikela Kharsawa in year 2003 to 2006. Providing portable water to rural communities nearly 2,600 tube wells have been already installed and it is benefiting over four lakh people.

- **Supports Social Welfare Organizations**

Tata Steel supports various social welfare organizations that are as follows:

- Tata Steel Rural Development Society
- Tribal Cultural Society
- Tata Steel Foundation for Family Initiatives
- National Association for the Blind
- Shishu Niketan School of Hope
- Centre for Hearing Impaired Children
- Indian Red Cross Society, East Singhbhum

- **Healthcare**

Tata Steel healthcare projects include immunization and childcare, child education, tree plantation activities, creation of awareness of AIDS among individuals and other healthcare projects.

- **Economic Empowerment**

Tata Steel Company came out with a program that aimed at economic empowerment through improvising agriculture and it has been started in three backward tribal blocks in Jharkhand, Orissa and Chhattisgarh. The project expenditure has been estimated of Rs 100 crore for the entire purpose and this program will benefit 40,000 tribal's living in 400 villages in these three states respectively.

- **Tata Motors:**

- **Pollution Control**

Tata Motors was the first Indian Company to launch vehicles with Euro norms. Tata Motors introduce emission control technology in India with joint venture Cummins Engine Company of USA, in year 1992 was a major effort for motor industry in India. To produce environment friendly engines it has taken help of world-renowned engine consultants such as Ricardo and AVL. Tata Motors has made investments for establishment of advanced emission-testing laboratory in India. The company has manufactured CNG version of buses and also launched a CNG version of passenger car called as Indica.

- **Restoring Ecological Balance**

Tata Motors has taken the initiative to plant 80,000 trees in the work area and the township and it also has planted more than 2.4 million trees in Jamshedpur region. It has also planted over half a million trees in Poona region. The brand has strictly directed all its suppliers to do packaging of their products in alternate materials instead of wood packaging. Tata motors started a project in Pune, of treated water which is conserved in lakes and attracts various species of birds from around the world.

- **Employment Generation**

At Pune plant employees have been encouraged to make various types of industrial co-operatives engagement in productive activities such re-cycling of scrap woods into beautiful furniture, steel scrap baling and battery cable

assembly and many more. Tata Motors of Grihini Social Welfare Society help employees' mainly women dependents and they produce a variety of products such as pickles, electrical cables and even harnesses and this makes them financially stable and secure.

▪ **Economic Capital**

The Tata Motors have setup two Societies in Lucknow known as Samaj Vikas Kendra & Jan Parivar Kalyan Santhan have been formed for helping rural development and for providing healthcare facilities to the rural areas. These societies have done great work for health, education and women empowerment in rural areas.

▪ **Human Capital**

The company has introduced many number of scholarship programs for the higher education of children. Scholarship program known as Vidyadhanam the company supports exact 211 students. From 211 students 132 students are from the marginalized sections of the society. These following students get books, stationeries and other study materials. Students also undergo various kind of workshops, creative & outdoor classes and even residential camps.

▪ **Natural Capital**

Tata Motors on the World Environment Day launched an exclusive drive for tree plantation across India and all countries in SAARC region and Middle East Russia and even in Africa. On World Environment Day more than 25,000 trees were planted. Apart from that more than 100,000 saplings were planted throughout the monsoon period.

• **Tata Chemicals Ltd (TCL)**

Tata Chemicals was the first organizations in India to hold Impact camp. It was held at Mithapur in the 1982 it provided eye care service for hundreds of patients at the Mithapur Hospital. Tata Chemicals is one of the first organizations in India to run world's first hospital on wheels known as Life Line Express, in Jamnagar district for the first time between November 21, 2004 and December 21, 2004. The company also runs rural development programs at Okhamandal and Babrala. Tata Chemicals main operation is for protecting the environment which includes optimal use of resource, finding alternative sources of fuel and raw materials, and maximizing reuse and recycling practices. Tata Chemicals have a policy of avoid, reduce and reuse for society betterment.

• **Tata Tea**

The tea brand of Tata group has been extremely working since 1980's to fulfill all the needs possible of specially-abled people. Tata Tea has set up **Srishti Welfare Centre at Munnar**, that is in Kerala. This welfare centre provides various programs of education, trainings and rehabilitation of children's and young adults with special needs.

Srishti Welfare has four projects:

- The DARE School
- The DARE strawberry preserve unit
- Athulya
- Aranya.

• **Titan**

CSR is a basic element of TITAN brand governing objectives and its corporate values. The corporate philosophy of CSR can be defined as doing less harm towards the society and doing more good towards society by adopting the following practices:

- Respecting and supporting all local communities
- Caring for the entire workforce
- Being an active member of society responsibilities
- Committed towards sustainable developments
- Putting all safety measures at work first

Brand Titan has employed up to 169 disabled people under blue collar workforce model at Hosur.

- **TISCO**

It was awarded The Energy Research Institute award for CSR for the year 2002-2003 in the recognition for corporate citizenship and sustainability activities. TISCO was also given the Global Business Coalition Award in year 2003 for all its efforts for spreading awareness about HIV/AIDS in society. It is the only Indian company making an effort to practice the Global Compact principles on human rights, labor and environment in the industry.

- **Tata Consultancy Services (TCS)**

TCS aims of building strong sustainable businesses community. The elements that focused by TCS for corporate sustainability are as follows: transparent corporate governance, a fair and strong strategy for long-term growth, ethical HR process. Indian government has launched Saakshar Bharat, adult education program in year 2009 and the program will now go online through the efforts of TCS'partnership. The scheme has aimed towards female literacy and aims to make literate at least 70 million of people in which at least 85 percent are women literate and this program has been already rolled out in 167 districts and 19 states. TCS has supported local communities in the United States in year 2010 and 2011. They provided support for the victims of Chilean earthquake in 2010 and also conducted IT related educational programs for high school students in Cincinnati and Tata Consultancy Services also runs an adult literacy program in United States.

- **Tata Relief Committee (TRC)**

TRC is designed to work for relief in disaster affected areas. There are two phases of assistance during natural calamities that are relief measures and rehabilitation programs. Tata Relief Committee built 200 schools in two years in Gujarat after the Gujarat earthquake and they provided help during the Orissa floods when people lost their cattle farms. The Tsunami disaster team members of TRC immediately reached the places and supplied all the essential things required for the society.

- **Tata Council for Community Initiatives (TCCI)**

TCCI was formed in 1994. TCCI's mission states that "We will work together to be and to be seen as, a group which strives to serve our communities and the society at large"[13]. TCCI is involved with Tata companies to maintain sustainability reporting guidelines of Global Reporting Initiative (GRI). TCCI has become the focal point for UN Global Compact in India, it has 42 Tata group companies as signatories, and it is highest in entire world from a single business group.

- **Tata Corporate Sustainability Strategy**

Their tag line is as follows

"No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people." - J R D Tata

Corporate strategy of the Tata group has sustainable development of all the stakeholders. Points included in the corporate strategies are as follows:

- To demonstrate the responsibility and sensitivity to biodiversity and the environment
- Follow the rules and regulations related to environment
- To create livelihoods and build community through social programs for health, education, empowerment programs for women and youth and employee volunteering.
- To find innovative ways to upgrade economy, human, social and natural capitals for upbringing and maintaining a balance in business, society and environment as well.

7. CONCLUSION

As business is the integral part of the social system so it has to take care for various needs of the society. Businesses which are extremely resourceful have special responsibilities towards the society. Social involvement of businesses develops healthy relationships between the societies. Companies social involvement always create a better public image and goodwill for the companies which becomes an marketing instrument in attracting customers, efficient delegates and investors. The Tata group has gone a long way in fulfilling its responsibilities towards the society and its nation. It has reached out to the masses lives and their dreams. Tata Group always develops new policies for CSR and has effectively

implemented to bring sustainable balance between corporate world and society for present generation and upcoming generations of man and nature.

CONFLICT OF INTERESTS

None

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None

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