

CSR Drive of TATA Group

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Introduction: Definition of Corporate Social Responsibility:

World Business Council for sustainable development defines corporate social responsibility (CSR) as "The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."

The European Commission advocates CSR as "Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing more into human capital, the environment and relations with stakeholders".

According to Bajpai, G.N, in his article corporate social responsibility and Europe, (www.ficci.com), "An ideal CSR has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well as socio-economic status".

According to Wood, D.J, in his book *towards improving corporate social performance* "CSR implies some sort of commitment, through corporate policies and action. This operational view of CSR is reflected in a firm's social performance, which can be assessed by how a firm manages its societal relationships, its social impact and the outcomes of its CSR policies and actions .

The concept of CSR originated in the 1950's in the USA but it became prevalent in early 1970s . During the 1980's to 2000, corporations recognized and started accepting a responsibility towards society. Creation and utilization of wealth for the optimal benefits of its various stakeholders like shareholders, employees, customers, environment and society.

The story of corporate India begins with Jamsethji Tata, Founder of the Tata Group, who has been a doyen of promoting corporate responsibility. The fact has its testimony even today- as per the latest ranking of global corporate reputation, the Tata Group proudly stands as the only Indian company among the 20 best globally reputed companies

The Tata Group is a giant family of businesses that dominates Indian markets. There is a long history of the CSR within the group, and it is no surprise that all Tata companies have adopted a Tata Code of conduct as well as many international standards.

This paper highlights the CSR drive of various companies of TATA Group in India, exemplifying before world a desirable combination of its economic and social objectives

Rationale of selecting the topic-

The CSR in India has its own ways and models., on one hand, the government, being 'model employer' for the public sector units (PSUs). On the other hand in the private sector too, Tata Group translated the vision of the CSR into action with a great zeal and commitment in India way back in 1920 at Tata Iron and Steel Co. Ltd (TISCO), which was seen as a 'role model' to be followed by others subsequently.

Corporate Social Responsibility has always been taken care of by the Tata group. In words of Mr. Jamshedji Tata "In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence."

In pre and post independence era of India , TATAs have contributed largely in the overall development of nation covering various spheres like health, education ,environment ,science and technology , research ,sports ,culture etc.

Amidst of many scams and scandles taking place in India & involvement of many private sector companies, it is TATA Group who has always been admired for its ethical and philanthropic values. The study of CSR drive of TATAs would enrich the knowledge of the students and entrepreneurs with the noble contribution that is helping to deprived masses of India.

Objective:

- To know the CSR activities undertaken by the various companies of TATA Group for upliftment of masses.
- To find out various measures adopted by TATA Group for involving its staff in its CSR drive.

Sources:

Secondary data from books ,newspapers and internet is collected.

Limitations:

- While preparing this research paper Legal aspects like corporate governance , labor and employee welfare related laws have not been undertaken.
- Only selected companies of TATA Group have been considered.

Findings:

- Ranging from steel, automobiles and software to consumer goods and telecommunications the Tata Group operates more than 80 companies .
- Under the dynamic leadership of Ratan Tata the group went through major organisational phases — rationalisation, globalisation, and now innovation, as it attempts to reach a reported \$500 billion in revenues by 2020-21.
- It becomes interesting to know how they manage such a huge CSR activities? It is found that ,approximately two third of the equity of the parent firm, Tata Sons Ltd., is held by philanthropic trusts endowed by Sir Dorabji Tata and Sir Ratan Tata, sons of Jamsetji Tata, the founder of today's Tata empire in the 1860s. Through these trusts, Tata Sons Ltd. utilizes on average between 8 to 14 percent of its net profit every year for various social causes. Even when economic conditions were adverse, as in the late 1990s, the financial commitment of the group towards social activities kept on increasing, from Rs 670 million in 1997-98 to Rs 1.36 billion in 1999-2000. In the fiscal year 2004 Tata Steel alone spent Rs 45 crore on social services.

- **Tata Corporate Sustainability Policy**

"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

The corporate policy of the group encompasses the sustainable development of all the stakeholders. The major points included in the corporate policy are following :

- Demonstrate responsibility and sensitivity to biodiversity and the environment
- Comply with rules and regulations relating to environment
- constantly upgrade technology and apply state-of-the-art processes and practices with institutional arrangements that will combat larger issues like climate change and global warming
- Create sustainable livelihoods and build community through social program pertaining to health, education, empowerment of women and youth, employee volunteering,
- Find ways to enhance economic human, social and natural capital for bringing and maintaining a balance among business, society and environment.

- **Contributions for the National Development- Highlights**

- **Tata Health Infrastructure**

- Tata main hospital at Jamshedpur
- ICU in Joda and Balangpur
- CHC in Bari and Kuhika
- Hospitals in Gobarghati,sukinda, joda, belpahar, belipada and bamnival
 - Lifeline Express— the hospital on wheels
 - Mobile health clinics
 - Centre for hearing impaired children

- **Tata Educational Infrastructure**

- Institute of mathematics
- Sukinda college
- Joda college centenary Learning centre at XI MB
- J N Tata Technical Education centre
- School of hope
- Shishu Niketan
- Balwadi schools assisted by Tata Steel

- **Tata Sports Infrastructure**

- Tata athletics academy
- Tata archery academy
- Tata Football academy

- Tata steel adventure foundation
- Sports feeder centres
- Stadium at keonjhar

- **Preservation of culture & Heritage**

- Contribution to setting up national Center for performing arts Mumbai
 - Tribal cultural centers showcases legacy of nine tribes Jharkhand and Orissa
 - Gramshreemela activities
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- In July 2004, B. Muthuraman, Managing Director, Tata Steel Limited (TISCO) announced that in future TISCO would not deal with companies, which do not conform to the company's Corporate Social Responsibility (CSR) standards. Speaking at the annual general meeting of the Madras Chamber of Commerce and Industry, He stated, "We will not either buy from or sell to companies that do not measure up to Tata Steel's social responsibility standards."
 - Introducing changes in company's articles (Clause Number 10) for sustaining CSR. Amendments were made to the Articles of Association of the major Tata group companies in the 1970s. Newly included was an article stating that the "company shall be mindful of its social and moral responsibilities to consumers, employees, shareholders, society and the local community. To institutionalize the CSR charter, a clause on this was put into the group's 'Code of Conduct.' This clause states that group companies had to actively assist in improving quality of life in the communities in which they operated. All the group companies were signatories to this code. CSR was included as one of the key business processes in TISCO. It was one of the eight key business processes identified by TISCO's management and considered critical to the success of the company.
 - **TQMS** -Tata Quality Management Services (TQMS - a division of Tata Sons) had been entrusted with the task of institutionalizing the Tata Business Excellence Model (TBEM). The TBEM provides each company with a wide outline to help it improve business performance and attain higher levels of efficiency and productivity. It aims to facilitate the understanding of business dynamics and organizational learning. TBEM is a 'customized-to-Tata' adaptation of the globally renowned Malcolm Baldrige model. TBEM model focuses on seven core aspects of operations: leadership, strategic planning, customer and market focus, measurement, analysis and knowledge management, human resource focus, process management and business results. Performance is measured in absolute points; companies have to achieve a minimum of 500 points (out of 1,000) within four years of signing the BEBP agreement.. TQMS helps Tata companies use the model to gain insights on their business strengths and opportunities for improvement. This is managed through an annual process of assessment and assurance. The model, through its regular and calibrated updates, is used by Tata companies to stay in step with the ever-changing business environment.
 - The following is the distribution of points across the Index with a balance between process (P) and outcomes (O) at the three levels with 17 sublevels and 46 parameters under these levels.

Assessment levels	Point Values	Break-up (P + O)
Systems response: Level I	275	(150+125)
1) Leadership commitment and involvement	55	(30+25)
2) Management structure and deployment	55	(30+25)
3) Strategy development and action plan	55	(30+25)
4) Review mechanism and reporting	55	(30+25)
5) Communications and awareness	55	(30+25)
People response: Level II	175	(100+75)
1) Selection, career development of key employees and performance management	45	(25+20)
2) Training for professional, organizational, managerial competence and enhancement of role in the CSR	45	(25+20)
3) Training for leadership development, enrolment of other employees, personal learning and development and enhancing role in the CSR	45	(25+20)
4) Volunteer scheme and evolving degrees of volunteering	40	(25+15)
Programme response: Level III	550	(300+250)
1) Managing change and assessment of social impact	65	(35+30)
2) Felt needs of the key community related to core competencies	65	(35+30)
3) Volunteering process in the community	65	(35+30)
4) Social concerns addressed through programmes	95	(55+40)
5) Improving attitudes/government processes	65	(35+30)
6) Self-reliance and sustenance	65	(35+30)
7) Learning and innovation transfer	65	(35+30)
8) Effective management and good governance	65	(35+30)
	1000	(550+450)

- **CSR Activities of Tata Companies for social development-**

- 1) **Tata Steel** : Tata Steel has adopted the Corporate Citizenship Index, Tata Steel spends 5-7 per cent of its profit after tax on several CSR initiatives. Which includes :

Self-Help Groups (SHG's)

Over 500 self-help groups are at present operating under various poverty minimizing programs; out of which over 200 are engaged in activities of income generation through micro enterprises. Women empowerment programs through Self-Help Groups have been extended to 700 villages. From the year 2003 to 2006, the maternal and infant survival project had a coverage area of 42 villages in Gamharia block in Seraikela Kharsawa and a replication project was taken up in Rajnagar block. For providing portable water to rural communities 2,600 tube wells have been installed for the benefit of over four Lakh people.

Support for Social Welfare Organizations

Tata Steel supports various social welfare organizations like;

- 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 Projects : The healthcare projects of Tata Steel include facilitation of child education, immunization and childcare, plantation activities, creation of awareness of AIDS and other healthcare projects.

Economic Empowerment A program aiming at economic empowerment through improvised agriculture has been taken up in three backward tribal blocks in Jharkhand, Orissa and Chhattisgarh, and expected to benefit 40,000 tribal people living in over 400 villages in these three States.

Assistance to government : Tata Steel has hosted 12 Lifeline Expresses in association with the Ministry of Railways, Impact India Foundation and the Government of Jharkhand. Over seven lac rural and another seven Lac urban population have been benefited by the CSR activities of Tata Steel

2) **Tata Motors :**

Pollution Control

Tata Motors is the first Indian Company to introduce vehicles with Euro norms. To make environment friendly engines it has taken the help of world-renowned engine consultants like Ricardo and AVL. It has manufactured CNG version of buses and also launched a CNG version of its passenger car, the Indica. Over the years, Tata Motors has also made investments in the establishment of an advanced emission-testing laboratory.

Maintaining Ecological Balance

Tata Motors has planted 80,000 trees in the works and the township and more than 2.4 million trees have been planted in Jamshedpur region. Over half a million trees have been planted in the Poona region. The company has directed all its suppliers to package their products in alternate material instead of wood. In Pune, the treated water is conserved in lakes attracting various species of birds from around the world.

Employment Generation

The Tata Motors Grihini Social Welfare Society assists employees' women dependents; they make a variety of products, ranging from pickles to electrical cable harnesses etc ; thereby making them financially secure.

Economic Capital

For health, education and women empowerment in rural areas In Lucknow, two Societies - Samaj Vikas Kendra & Jan Parivar Kalyan Santhan have been formed.

Human Capital

Through a scholarship program Vidyadhanam, the company supports 211 students. Out of these students 132 students are from the marginalized sections of the society. The company has entered into Public-Private Partnership (PPP) for upgrading 10 Industrial Technical Institutes (ITI) across the country.

3) **Tata Chemicals Ltd (TCL)**

Tata Chemicals Limited was also the first organization to run world's first hospital on wheels - the Life Line Express, through Jamnagar district for the first time between November 21, 2004 and December 21, 2004.

Tata Chemicals is making an effort for sustainability. Sustainability for the group means honesty and transparency towards stakeholders, environmental protection , generating economic value, promoting human rights and creating social capital. All in all they have the policy of 'avoid, reduce and reuse'. The company runs a rural development program at Okhamandal and Babrala.

4) **Tata Tea :** Tata Tea has been working sincerely since the 1980s to cater the needs of specially-abled people. It has set up the **Srishti Welfare Centre at Munnar, Kerala**; its various programs provide education, training and rehabilitation of children and young adults with special needs. **it has four projects viz :**

i. The DARE School providing the students with training in basic academics, self-help skills and skills like gardening, cooking, weaving etc.

ii. The DARE strawberry preserve unit The trainees to preserve natural strawberry are paid , they receive social cover, free medical aid and other benefits .

iii. Athulya –Provides vocational training to physically challenged persons in the art of making recycled paper

iv Aranya. – Disabled people are given training in various natural dyeing techniques including block printing, batik work, etc.

Tata Tea's Jaago Re! Campaign is wonderful example of Social-Cause advertising .

5) **TISCO** : It is the only Indian company trying to put into practice the Global Compact principles on human rights, labor and environment. TISCO was also conferred the Global Business Coalition Award in 2003 for its efforts in spreading awareness about HIV/AIDS.

6) **TELCO** -It has started community development activities for the benefit of TELCO families and local residents in 1973 like : To help the families of employees develop better living standards by organizing extension education programs, training in various trades/skills and providing opportunities to earn additional income. It is fighting against Leprosy at Jamshedpur.

7) **Tata Relief Committee** Tata Relief Committee (TRC) works to provide relief at disaster affected areas. During natural calamities there are two phases of assistance - (a) relief measures and (b) rehabilitation program. After the Gujarat earthquake the group built 200 schools in two years and they rendered help during the Orissa floods when people lost cattles. Even after the Tsunami disaster members of TRC immediately reached the places and supplied the things required.

• **Conclusion :**

Every business house owes some responsibility towards the society, nation and world in general which provide it with all human , material and natural resources. Considering the long run growth and sustainable development following the norms of CSR , devising new policies and effective implementation is inevitable to bring and sustain a balance between corporate world and society, present generation and upcoming generation, man and nature.

As far as the Tata group is concerned, it has been very sincere and honest in fulfilling its duty and responsibility towards the social development. It has reached the masses to improve their life standard, to help their dreams come true and to exploit their employable skills. It can be said that , a statement on the Tata group's website www.tata.com, "The Tata credo is that 'give back to the people what you have earned from them',is rightly being implemented through CSR by TATA Group.

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