



## CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY DEVELOPMENT A CASE STUDY OF TATA GROUPS IN INDIA

### Commerce

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### ABSTRACT

This paper is for the purpose of research. The evolution of corporate social responsibility in India refers to changes over time in India of the cultural norms of corporations' engagement of corporate social responsibility (CSR), with CSR referring to way that businesses are managed to bring about an overall positive impact on the communities, cultures, societies and environments in which they operate. Among other countries India has one of the oldest traditions of CSR but CSR practices are regularly not practiced or done only in namesake especially by MNCs with no cultural and emotional attachments to India.

As discussed above, CSR is not a new concept in India. Ever since their inception, corporate like the **Tata Group**, the Group, and Indian Oil Corporation, to name a few, have been involved in serving the community. Through donations and charity events, many other organizations have been doing their part for the society. The basic objective of CSR in these days is to maximize the company's overall impact on the society and stakeholders. CSR policies, practices and programs are being comprehensively integrated by an increasing number of companies throughout their business operations and processes. Many of the companies are helping other peoples by providing them good standard of living. Also, corporate increasingly join hands with non-governmental organizations (NGOs) and use their expertise in devising programs which address wider social problems.

### KEYWORDS:

Social Responsibility Management in India



A significant amount of the total CSR spend by the Tata Group has gone into skill development, health and education, with Tata Steel

emerging as the biggest spender within the group. Among other Indian conglomerates, the \$40-billion Aditya Birla Group spent Rs .200 crore on CSR in fiscal 2014, which is a little over 2% of the net profit from India.

Under the new law, all companies with at least Rs 5-crore net profit or Rs 1,000-crore turnover will have to spend 2% of their annual net profit on CSR activities which include slum redevelopment, road safety awareness and consumer protection services with effect from April 1, 2015. The Tata group has undertaken several CSR projects through the years. It note worthy to mention here that there are more than 500 self-help groups currently operating under various poverty alleviation programmes; out of which over 200 are engaged in activities of income generation through micro enterprises.

A programme aiming at economic empowerment through improvised agriculture has been taken up in three backward tribal blocks in Jharkhand, Orissa and Chhattisgarh. It has hosted 12 Lifeline Expresses in association with the Ministry of Railways, Impact India Foundation and the Government of Jharkhand serving over 50,000 people. Pollution control, restoring ecological balance, education, employment generation, vocational training, agriculture etc. are other relevant issues addressed.

### Corporate social responsibility

The Tata culture of giving back flows from the tradition of nation and community building sowed more than a century back by Jamsetji Tata, the Founder of the group. Tata companies are involved in a wide variety of community development and environment preservation projects. NGOs and other relevant stakeholders.

The CSR approach adopted envisages that the group evolves and executes strategies to support communities in partnership with governments, civil society and relevant stakeholders. Key to this approach is Tata employees who generously give of their time, experience and talent to serve communities; group companies encourage and facilitate them to do so. At the group level, the Tata Engage programme builds on this tradition. It is amongst the top 10 corporate volunteering programmes in the world.

### Making adults literate

Computers become a tool for adult literacy through a package

developed by Tata Consultancy Services Imagine not being able to read a bus destination or a work contract or your children's school reports! Empowerment comes through literacy and, yet, a staggering 25.96 per cent (2011 census) of the Indian population is steeped in illiteracy and suffer varying levels of exploitation and indignities because of it. While several government initiatives are underway to address this problem it would take millions of teachers and decades of education before India could achieve 80-90 per cent literacy through traditional teaching methods. The situation calls for an out-of-the-box solution, and that is exactly what Tata Consultancy Services (TCS) came up with in 2000, when they first experimented with the Computer Based Functional Literacy (CBFL) programme in Beeramguda village in Medak district of Andhra Pradesh.

#### **Excellence in education**

Seven years ago, Tata Steel started a unique initiative aimed at promoting excellence in education at schools in Jamshedpur and other cities where the company has operations. The Tata Steel Education Excellence Programme (TEEP) was conceived by B Muthuraman, then MD and currently vice chairman of the company, with the objective of improving the quality of education, and to create a culture of excellence and nurture the citizens of tomorrow.

#### **Tata Medical Centre: A welcome healing touch**

The recently opened Tata Medical Centre in Kolkata will go a long way in offering care and succour to cancer sufferers and their kin, but this state-of-the-art hospital requires continuous support to spread the canvas of care it provides

In the circumstances, the recent opening of the Tata Medical Centre (TMC) in Kolkata is welcome news in a country where facilities of this kind are few and far between. That TMC is situated in the eastern part of India is especially heartening, given that the highest numbers of certain kinds of cancers are to be found in this part of the country.

#### **Community first in Magadi**

Tata Chemicals Magadi's standout efforts in community health care, particularly on HIV/AIDS, have seen the company being nominated for the Business Action on Health Awards Sitting at the lowest point in East Africa's famed Rift Valley, Magadi provides proof that there can be beauty in the desolate. And Tata Chemicals Magadi (TCM), the company that has made this arid spread in Kenya the heart of its business, shows how commitment to the community, no matter how difficult the circumstances, can translate into substantial gains for everybody involved.

It is this commitment that has led to TCM known as Magadi Soda Company (MSC) prior to becoming a part of Tata Chemicals following its acquisition of Brunner Mond in 2005 being chosen as one of the 38 finalists in the Global Business Coalition's Business Action on Health Awards for 2011. TCM is one of the seven nominees in the 'community investment' category, and it has been recognised for providing awareness training and support services for HIV/AIDS, tuberculosis, malaria, family planning, immunisation, nutrition and general wellness to employees and local communities.

#### **Women come first here**

The leather complex that TIL set up in 1975 in Dewas has brought about a sea change in the lives of the women working at the facility, a result of years of investment by the company. It provided women with soft skills and work-related training to manufacture shoes and gave them jobs in the factory. More than 50 percent of employees at Dewas and as much as 70 percent at the Chennai unit come from the scheduled caste and scheduled tribe communities. The company's Navachetna initiative, a training programme designed in consultation with the Indian government's Department of Industrial Policy and planning, has been recognised by the Tata Affirmative Action Programme as a best practice in the employability category for two consecutive years (2014 and 2015).

#### **When CSR meets affirmative action**

Banking on the company's nationwide presence through dealers and service stations, Tata Motors has developed business-linked programmes that cater to SC and ST communities.

#### **Of programmes and processes**

Under the apprenticeship training programme, Tata Motors recruits more than 5,000 youth each year. Upon successful completion of the

course, nearly 90 percent of the students join Tata Motors as temporary workmen, and a huge percentage of them are later re-hired to join the company's talent pool. The Tata Motors' vendor development initiative has developed an intensive engagement mechanism to identify and mentor SC/ST vendors; and as a result, the number of SC/ST vendors and their business of volumes have been rising consistently. The strategic sourcing team has undertaken several initiatives. The company conducts an in-house survey to identify products and services that can be sourced from SC/ST vendors and regularly participates in Dalit Indian Chamber of Commerce and Industry trade fairs to tap potential vendors.

For the special coaching programme, Tata Motors has partnered with Global Education Trust (the CSR arm of Mahesh Tutorials) to provide special coaching to 20,535 students enrolled in 150 municipal schools in four instructional languages Hindi, Urdu, English and Marathi across Mumbai. Close to 17 percent students enrolled in these schools are from the SC/ST community. This programme not only focuses on deploying additional teachers but helps in developing overall learning capabilities of the students. Robomate, an e-learning module developed by Mahesh Tutorials, has also been installed in 60 schools. The initiative tracks academic performance of students through monthly tests and counsellors have been appointed to help weak students. More than 1,000 students have been covered till date through 74 counselling sessions. Other programmes include personality development and career guidance sessions.

The LEAP programme or mechanic motor vehicle training is a one-year unique programme where theoretical learning is supplemented through on-the-job-training at various Tata Motors service centres and dealerships. Students receive a stipend during the internship period, and also receive a certificate which helps them to find suitable jobs at dealerships / service stations.

Dealers of Tata Motors, implementation partners (NGOs and technical training institutes) and the company are key stakeholders. The dealers provide the training and contribute two-thirds of the trainee's monthly stipend. Implementation partners mobilise candidates and conduct the theoretical training. Tata Motors develops the course curriculum, trains faculty members (provided by implementation partners) and contributes a third of the monthly stipend.

#### **Pushing the agenda with Neev**

With a view to leverage the principle of positive discrimination and providing sustainable livelihoods, the company's commercial vehicle business unit launched Neev, a rural marketing initiative. This initiative aims to reach out to habitations with population less than 50,000 and where the company has no direct reach. The attempt is to expand the rural base through strategic partnerships.

Under Neev, the company's dealers appoint part-time rural sales personnel known as Tata Gram Mitra (TGM). These TGMs create and capture demand and generate leads for Tata Motor's products. The TGMs undergo a three-month training programme and are paid Rs 2,500 a month. The company has also established strategic partnerships with organisations like Tata Business Support Services, Indian Oil, e-Chaupal; and through these partnerships, 3,468 people across 11 states of the country are associated with Neev as TGMs. Out of this, 630 TGMs (18 percent) are from the SC/ST community.

#### **Nursing**

The Jeevan Jyothi School of Nursing was established in partnership with Tata Motors Hospital and Sisters of the Society of Jesus Mary Joseph. It was established to provide quality training and clinical experience to nursing students. Recognised by the Bihar Nurses Registration Council and Indian Nursing Council, this school has carved a niche in the eastern part of the country as one of the top nursing schools with 100 percent job placement of students. On completing the three-and-a-half-year course, over 50 percent of the graduates are absorbed as trainee nurses in the Tata Motors Hospital and the rest in other reputed hospitals across the city. They earn an average salary of Rs6,000-8,000 per month.

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