

Corporate Social Responsibility: A Case Study of Tata Steel Industries

Pavneet Kaur

Assistant Professor,

Guru Nanak Khalsa College for Women, Ludhiana

ABSTRACT

Corporate Social Responsibility (CSR) is an important feature of every business organization nowadays. The concept of Corporate Social Responsibility (CSR) has come into the policy landscape due to the new Company Bill 2012, which envisages a statutory responsibility on the companies of spending two percent of their profit on the non-business socially relevant activities primarily aimed at the localities where they are undertaking their business. In today's business environment, profitability is the main aim of every business concern; it is the driving force of the business development. However, as we know, every coin has two sides; growing cutthroat competition and business rivalries started taking heavy pressure on quality, transparency, environment and society in general endangering the peaceful coexistence of business and society. The business houses started realizing that they would have to rise over and above the profitability and take care of all those associated with their survival in the society directly or indirectly. This realization resulted into the concept of Corporate Social Responsibility (CSR) the main objective of this paper is to analyses the CSR activities carried out by TATA STEELS and its existing practices and programs in areas of Rural Development, Education, skill Development. This study gives an overview of CSR initiatives of TATA STEELS in the Indian economy

KEYWORDS: Corporate Social Responsibility, Tata Steels.

INTRODUCTION

Tata Steel has adopted the Corporate Citizenship Index, Tata Business Excellence Model and the Tata Index for Sustainable Development. Tata Steel spends 5-7 percent of its profit after tax on several CSR initiatives. In the present times of intense competition, the only survival strategy

for the business is to grow. However, not only growth, Business is expected to create wealth, supply market, generate employment, innovate and produce a sufficient surplus to sustain its activities and improve its competitive environment. Corporate Social Responsibility (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line- Approach” i.e. profit, planet and people) while at the same time addressing the expectations of shareholders and stakeholders. The origin of the CSR construct has been traced back to the works of Bowen, particularly his book Social Responsibilities of Businessmen published in 1953 (Valor, 2005). CSR is defined 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 present, there is a visible trend in banking sector in promoting environment friendly and socially responsible lending and investment practices.

Thrust Area for CSR

Tata Steel focuses on responsible business practices with community-centric interventions. The thrust area for Tata Steel is sustainable livelihood-specially skill development and employability training, education and health care, all of which constitute the Human Development Index- a quality of life indicator. Partners for CSR Implementation Tata Steel partners with NGOs, Governments and funding agencies to implement its CSR interventions in the thematic area of health, education, livelihoods and ethnicity. Through employee volunteerism, it also utilizes in house resource persons. These areas are as follow:

Environment

The environment management of the company is guided by Tata climate change policy, Tata code of conduct, sustainability policy, environmental policy, vision and UN global compact principles. Tata has reduced the amount of energy required to produce a tone of steel since last four decades and has set target of reducing carbon dioxide emissions by 20 per cent till the end of next decade. Environment management system has been implemented at all mining and manufacturing sites, which are also certified under EMS ISO 14001 and regular audits and

reviews are conducted for them. Environment management committee monitors and assesses the environmental risks, likewise, noise level, waste, water impact, air quality levels, dust suppression arrangements and records stakeholders concerns, priorities and expectations.

Education

Tata steel has scholarship programs, namely, Jyoti Fellowships for SC/ST communities, Parivar Scholarships for children of relocated families, Moodie Fellowship for meritorious tribal students and the JN Tata Endowment that advances loan scholarships. The Company has built educational institutes, including the prestigious Institute of Mathematics in Bhubaneswar. Other activities include, Mid-day meal programmed, run in partnership with Government of Jharkhand, running Camp School programmed in two schools at district of Jharkhand where drop-out girls in the 9-14 years age-group undergo a nine month bridge course, coaching programmed for Class 8, 9 and 10 which aims to strengthen the basic concepts and improve performance in subjects like English, Mathematics and Science, adult literacy programmed for rural women and Project Aakanksha for education of tribal children.

Sustainable Livelihoods

Tata steel has undertaken various development initiatives in the rural and semi-urban areas to exploit the skills and resources of the locals hence improving agricultural productivity, crop yield, enhancing irrigation facilities and enhancing rural community's capacity through skill-based trainings in farming techniques. Examples are :SRI (System of Rice Intensification) method of paddy cultivation benefitting more than 2000 farmers, dry land farming project in collaboration with International Crop Research Institute for Semi-Arid Tropic (ICRISAT), Hyderabad, developed more than 200 acres of land resulting in increased yields, more than 16000 acres of wasteland have been brought under cashew, mango and lemon plantations and 152 irrigation structures including lift irrigation facilities, creation/renovation of ponds, etc. were created in Jharkhand and Odisha.

Health

Tata steel offers healthcare services in the states of Chhattisgarh, Jharkhand and Odisha. Its major hospital is in Jamshedpur called the Tata Main hospital, two super dispensaries, nine

dispensaries and five society hospitals and other located at all mining sites where free medical treatment is provided to employees and to others at nominal charges. Many projects were undertaken by Tata steel, likewise, Project MANSI on maternal and newborn survival, Project RISHTA on adolescent health, Project ROSHNI to provide nursing and midwifery training to tribal girls and Projects like SATHI, Kavach, BASE and Sneh Kendra on HIV/AIDS awareness and treatment. First mobile hospital, Lifeline Express in 1991 was launched using the Indian Railway network. It is equipped with a modern operation theatre and other medical facilities, offering on-the-spot diagnostic, medical and advanced surgical treatment through preventive and curative interventions to persons with orthopedic, ENT and eye ailments.

Sports & Adventure

Tata steel plans to open Excellence Centers in selected sports at various schools having the necessary infrastructure. Apart from various fields of sports (Tata Football Academy, Tata Archery Academy and Tata Athletics Academy), the Company has established the Tata Steel Adventure Foundation (TSAF), to induct people from all walks of life to the thrills and wonders of adventure sports, thereby developing a healthy rapport with environment and nature. It has also constructed many stadiums, likewise, JRD Tata Sports Complex, Keenan Stadium, Sumant Moolgaonkar Stadium and Feeder Centers for sporting talent from rural and urban areas. The Tata Steel Chess Tournament attracts thousands of international visitors, including chess grandmasters

Self-Help Groups (SHG's)

Over 500 self-help groups are currently operating under various poverty alleviation 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 areplication project was taken up in Raj nagar block. For providing portable water to rural communities, 2,600 tube wells have been installed for the benefit of over four Lakh people.

Active Volunteering

Many employees at Tata Relief Committee's assist disaster management programs, likewise, a natural disaster, an immunization drive or Aids awareness camps. The company allows its employees to take time off from for such activities. Such activities are included in the Tata group ethos under the support of the Tata Council for Community Initiatives (TCCI), which encourages and guides in volunteering activities.

OTHERS

Support to low income family students with financial assistance, free uniform and books. Motivational camps for skills development in school, college and university. To establishing library-cum-reading rooms and providing fans, water coolers etc. Promotion and financial support education of special children. .Tie-ups with educational institutes for providing education scholarship schemes for students belonging to economically weaker sections School adoption projects. Special educational sponsorships for the girl child. Educational assistance by giving donations. Opening of pre-schools and assistance in mid-day meal programs for the students.

Solar Streetlight Project

For instance under the solar streetlight project Tata Steel installed solar streetlights in villages. To ensure the upkeep of installed lights and their sustained use by the village community, discussions were held with community resulting in the constitution of committees called 'Urja Samitee'. Select members from the village community are enlisted onto the Urja Samitees (Energy Committees) and are responsible for the maintenance of the solar panels.

AIDS AWARENESS PROGRAM

In the occasion of World AIDS Day, TATA Steel Ltd flagged off an initiative of Awareness on Aids campaign. It is a two-day campaign to cover a host of prominent colleges and locations all across Kolkata. This included St Xavier's College, Presidency College, Bethune College, Calcutta University, Jabalpur University, Kolkata Airport, City Centre, Forum to name a few.

The awareness programs, involved children and community members to be the agents of mass awareness for preventing the spread of deadly HIV/AIDS virus. Various programs were undertaken across Tata Steel's operational areas of Kalinganagar (Orissa), Lohandiguda (Chhattisgarh), and West Bokaro (Jharkhand), Sukinda (Orissa). The activities include hosting rallies, nukkad natak, quizzes, distributing pamphlets, condoms, blood donation camps, stage show, signature campaigns etc.

Financial Details

Particulars	crore
Average net profit of the Company for the last 3 financial years	7,518
Prescribed CSR Expenditure (2% of the average net profits)	150
Details of CSR Expenditure during the financial year:	
Total amount to be spent for the financial year	150
Amount spent	204
Amount unspent	Nil

Prizes and Recognitions

- Recognition from World Steel Association to Tata Steel for demonstrating excellence in safety and health programs
- The CSR Leadership Award to Tata Steel at the Orissa State Safety Awards.
- Best Risk Management Practice' Award in the category of Metals & Mining at the 3rd India Risk Management Awards 2017
- 'World's Most Ethical Company Award' 2017 - Recognized for the fifth time by Ethisphere Institute, USA
- Certified as a 'Great Place To Work' by Great Place To Work Institute - India in 2017

- Safety and Health Excellence recognition 2016 in 'Leadership' category by World Steel Association
- Awarded 'A-' Rating - Climate Leadership Band by CDP: for Climate Change disclosures for Supply Chain
- First Prize in the Indian Institute of Metals (IIM) National Sustainability Award 2016
- Winner in the 'Iron & Steel' sector for the Dun & Bradstreet Corporate Awards 2016
- Sustainable Manufacturing Award at Make in India Awards 2016
- 7th most transparent company in the world - Report by Transparency International, a Berlin-based anti-graft watchdog
- World Steel Association recognized Tata Steel for setting highest standards of health and safety at workplace.
- The Xiamen Safe Work Place Enterprise Award to NatSteel. National Safety Awards to the West Bokaro and Jharia divisions, and Sukinda Chromite mines.

GROWTH RATE

Tata Steel posted an 8% growth in Q1FY19 sales led by its highest quarterly sales of automotive steels in India. Sales touched 2.97 million tons in April-June 2018-19 against 2.75 mt in same period last year. Automotive and Special steels sales jumped to 557 kt in Q1FY19 due to stronger demand and new product approvals, an official statement said. The company said branded products and retail business achieved highest ever Q1 sales of 975 kt Results for the Quarter ended June 30, 2018 by CSR

Key highlights of the quarter:

- Health and Safety: LTIFR rate improved to 0.42 compared with 0.46 in FY18
- Consolidated revenues increased by 4.7%QoQ to Rs.37, 833crores.
- Consolidated EBITDA stood at Rs.6, 559 crores compared to Rs.6, 579 crores in 4QFY18; consolidated EBITDA margin was 17.3%.
- Consolidated PAT stood at Rs.1, 934 crores compared to Rs.14, 688 crores in 4QFY18. Consolidated PAT in 4QFY18 included exceptional gain of Rs.11, 376 crores.
- Standalone deliveries grew by 7.9% YoY to 2.97 million tons. Standalone revenues increased by 13.8% YoY to Rs.16, 405 crores.

- Standalone EBITDA stood at Rs.5, 118 crores with a margin of 31.2% compared to Rs.2, 922 crores in 1QFY18; EBITDA/t increased to Rs.17, 252.
- The liquidity position of the group remains robust with approximately Rs.24,984 crores comprising of Rs.13,086 crores in cash and cash equivalents and Rs.11,899 crores in undrawn bank lines.
- The capital expenditure for the quarter was Rs.1,931 crores.

CONCLUSION

Tata Steel has shown that it is committed to sustainable and environmental practices as part of its overall aim to act responsibly. It shows commitment and progress towards key targets of sustainability as well as encouraging sustainable decision-making in its customers and within their markets. The key to the success of this approach is to recognize the unique properties of steel as a recyclable material and to ensure that measurements of sustainability are taken over the entire life cycle of a product, not just the use-phase.

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