

Corporate Social Responsibility and Sustainable Growth: A Case Study of Tata Group

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Abstract

The business world depends largely on the society for its growth and development. Development centred only on the economic growth is unsustainable and therefore, there is a need for more proactive role by companies in the development process aimed at balancing economic growth, environmental sustainability and social cohesion. Such a role can be termed as Corporate Social Responsibility. Through the CSR activities companies want to ensure sustainable growth for themselves. Nowadays, companies blend the CSR initiatives with their marketing activities. This is termed as Cause-related marketing. The paper intends to study the CSR initiatives of Tata Group and the peoples' outlook towards such companies. The paper also wants to draw light into the cause-related marketing programs of such companies and whether it has been able to attain sustainable growth. It will also suggest measures that can be taken up by the companies to attain the goal of sustainability.

Keywords: Corporate Social Responsibility, Cause-related Marketing, Economic Growth, Sustainable Growth.

Introduction

As the companies are a part of the society, they have great responsibilities to ensure that society or the economy at large in which they operate are making advancements, standard of living of the people and that they are able to respond to various issues prevailing in the economy. In short, the companies should join hands with governments in making an all round development of the economies. Apart from satisfying the needs of the customers and people at large, the companies also have another important responsibility of inter-linking the economic, social, environmental demands in the market. Such an activity of balancing economic, social and environmental demands is referred to as CSR activities. Many companies are of the opinion that such activities can provide competitive advantage and for some it may become the core competence. CSR activities or initiatives usually involve vital aspects prevailing in the society like health and safety, environmental protection, human rights, business ethics, etc.

Review of Literature

Davis (1973), states the law of responsibility as that, which the firms gaining power will eventually have to be accountable to the society. At this stage, the

firms are obliged not to use the power bestowed upon them by society in a wrong way.

Ackerman (1975), states that CSR reflects the managerial actions. It means that although managers have to abide by the policies and rules of the company, they have to at the same time take into consideration the moral consequences of their actions.

Freeman (1984), focussed on the social considerations of the companies. He stated that social considerations are an essential part of the existence of the companies. It meant that companies have the responsibility towards the various stakeholders like customers, suppliers, employees and communities.

The Economic Times (2012), reported the views of Dr. APJ Abdul Kalam. Dr. Kalam said that all the companies should donate a part of their profits for social services. He discussed the proposed bill on corporate spending on CSR.

Bhattacharyya & Chaturvedi (2012), article titled "*CSR looks set to emerge as an independent stream with measurable output*" stated how the proposed bill of CSR will affect the policies of the companies. The authors were of the opinion that as a result of the bill, corporate activities will change and more and more corporate bodies will start working for the society. Further, who have already been associated with the CSR activities will have stronger bond with the society.

Objectives

- To study the CSR initiatives of the TATA Group of Companies.
- To observe the outlook of the people towards the company.
- To understand the Cause-related marketing of the company.
- To examine whether the company has been able to attain the sustainability.

Research Methodology

The methodology adopted here is summarised below:

- The research has been done amongst the people belonging to the age group 18-40 years. This age group has been chosen as they are active in social networking sites and are vocal about their opinions.
- The area of the study is the Guwahati city of Assam.
- A descriptive research method has been used for the research.
- For the collection of primary data, a structured questionnaire was designed. The same was forwarded to 100 people by e-mail. Another popular application Whatsapp was used to circulate the questionnaires. A total of 89 responses were received, out of which 7 were incomplete and thus were rejected. Thus, based on a sample of 82 respondents the study was conducted.
- The research was done in the month of September 2015.

- Several books, journals and online articles along with the official website of TATA Group have been referred to for the purpose of gathering secondary information.
- MS EXCEL 2007 has been used for the purpose of conducting data analysis.
- The research is limited to a selected age group. The inclusion of other age groups may provide us new views regarding the theme but have been left out due to time constraint. Also the sample size is kept small due to time as well as resources constraints.

Corporate Social Responsibility in India

India is a country of myriad contradictions. On the one hand, it has grown to be one of the largest economies in the world, and an increasingly important player in the emerging global order, on the other hand, it is still home to the largest number of people living in absolute poverty (even if the proportion of poor people has decreased) and the largest number of undernourished children. This brings a picture of a diverse, complex and uneven social environment. Social environment today has brought compulsions on the business organizations to adhere to certain business ethics and morals. Social responsibility of business is an important force that modern business organizations cannot wriggle out of their duties and responsibilities towards the society. At the same time the expectations of various interest groups in the society has undergone a sea change and the combination of all these interests exert an enormous pressure on business. A business unit that succeeds in meeting the interests of all these groups remains successful and grows. This concept of integrating and balancing economic growth, environmental sustainability and social cohesion is called Corporate Social Responsibility (CSR). Many companies have been quick to sense this responsibility towards society and have responded proactively while others have done so only when pushed. With the passage of the Companies Act 2013 the mandate for corporate social responsibility (CSR) has been formally introduced to the dashboard of the Boards of Indian companies. The practice of CSR is not new to companies in India. However, what this Act does is bring more companies into the fold. Also, it is likely that the total CSR spends will increase. The TATA group which is one of the leading businesses is among the forerunners in the recognition of CSR. The Tata group spends about Rs.1, 000 crore annually on corporate social responsibility (CSR) work and even has a dedicated unit, Tata Sustainability Group, which addresses key environmental issues related to water, carbon and waste. Such steps of the group are able to bolster its reputation and ensure sustainable growth.

The CSR Initiatives of the Tata Group

The TATA Group has evolved, over the years, an encompassing culture of social responsibility that not only sustains but also enriches the lives of the communities it support. The TATA Group's CSR strategy was inspired by Jamsetji Tata's conviction that, "In a free enterprise, the community is not just another

stakeholder, but is, in fact, the very purpose of its existence.” The CSR in Indian industry traces its roots from him. He was a visionary ahead of his time and his societal contribution include-

- Laying down foundation for scientific development in India.
- Setting up of JN TATA Endowment for Education.
- In 1902 advising that modern civic amenities should be provided for workers when steel plant was still being constructed.

Over 100 years, these principles of the visionaries JN Tata, JRD Tata and Ratan Tata has been implemented as a part of company's development through initiatives such as the development of the Tata Business Excellence Model which makes sustainable growth a priority and has included this in the key enterprise processes. Through the following companies and societies, Tata group keeps on heading towards the fulfillment of corporate social responsibility. Some of which are stated-

i. Tata Steel

Tata Steel has adopted the Corporate Citizenship Index, Tata Business Excellence Model and the Tata Index for Sustainable Development. Tata Steel spends 5-7 per cent of its profit after tax on several CSR initiatives.

- Tata Steel supports various social welfare organizations. They include- 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 etc.
- 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 thorough micro enterprises. Women empowerment programs through Self-Help Groups have been extended to 700 villages.
- A program aiming at economic empowerment through improvised agriculture has been taken up in three backward tribal blocks in Jharkhand, Orissa and Chhattisgarh. An expenditure of Rs 100 crore has been estimated for the purpose and this program is expected to benefit 40,000 tribal living in over 400 villages in these three States.
- In its 100th year, the Tata Steel Centenary Project has just been announced. 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.

ii. Tata Motors

- Tata Motors is the first Indian Company to introduce vehicles with Euro norms. Tata Motors' joint venture with Cummins Engine Company, USA, in 1992, was a major effort to introduce emission control technology in India. . 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.

- 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.
- Tata motors has introduced many scholarship programs for the higher education of the children. Through a scholarship program Vidyadhanam, the company supports 211 students. Out of these students 132 students are from the marginalized sections of the society. These students get books, copies and other study materials. They also undergo different kinds of workshops, creative & outdoor sessions and residential camps as well.

iii. Tata Tea

Tata Tea has been working hard since the 1980s to fulfill 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. Srishti has four projects which are: a. The DARE School, The DARE strawberry preserve unit, Athulya and Aranya. Tata Tea's Jaago Re! Campaign exemplifies the Social-Cause Marketing Initiatives.

iv. Tata Consultancy Services (TCS)

In 2010-11, TCS supported its local communities in the United States: supported the victims of the 2010 Chilean earthquake, conducted IT educational programs for high school students in Cincinnati, raised support and awareness for diabetes prevention through a series of marathon sponsorships. Tata Consultancy Services runs an adult literacy program. Indian government launched Saakshar Bharat, an adult education program in 2009 and the program will now go online via TCS' partnership. The scheme, aimed at female literacy aims to make literate 70 million people, of which at least 85 percent are women literate and the program has already been rolled out in 167 districts across 19 states.

Some of the other initiatives are:

- Tata salt's walkathon called the 'March for Purity' was organised to spread awareness about the consumption of pure salt.
- Titan has employed 169 disabled people in blue collar workforce at Hosur.

- TISCO was awarded The Energy Research Institute (TERI) award for Corporate Social Responsibility (CSR) for the fiscal year 2002-03 in recognition of its corporate citizenship and sustainability initiatives.
- The Tata chemicals CSR initiatives include: Agricultural development, Animal husbandry, Watershed development, Education, Rural energy, Women's progress and Relief work.

Cause-Related Marketing

Advertisements are used to make the people aware of and persuade them to buy the products. Earlier it was confined only to this function. But now the companies are making use of the advertisements for marketing the products but also making the audience aware of the various social causes the companies are associated with. Such a process is termed as Cause -Related Marketing (CRM). In order to establish strong consumer bonds, drive sales, create goodwill and differentiate its products and services many companies are now taking up this effective marketing communication tool.

CRM Campaigns of TATA Brand

Jago Re campaign of TATA Tea: It has been correctly said that one Indian brand that has been successful in its CRM efforts is TATA Tea with its Jago Re platform. It was launched in 2007 and since then it has taken up wide range of social causes that affect the common man. This represents a perfect example as to how a brand can take up a cause that relates perfectly to the domain of their expertise. The brand understood that almost all the Indians have weakness towards tea which is considered as the most preferred 'refreshing drink'. Tata Tea used the concept of awakening by getting refreshed by taking up a very crucial cause of the necessity to vote. The brand has also taken up many other issues that didn't find the voice till the campaign of Jago Re arrived. This campaign has instantly struck a chord with millions of people mostly the youth. The Campaign of 'One Billion Votes' has been successful in changing the mindsets of people regarding the voting rights, election, bribery, etc. the latest campaign of Jago Re is the 'Power of 49' which was started in 2013 and is still in action. This campaign concentrates on women empowerment. Its focus is on encouraging the women to vote who are 49% of the electorate and which will help the women to demand for safety and other measures.

Desh ka Namak of TATA Salt: the pioneer of branded salt category unveiled a new advertising campaign in 2002 called 'Desh ka Namak'. With this campaign the brand along with building a market position, aimed to make the common people realise to work with honesty and integrity. Along with this campaign, Tata Chemicals launched 'Desh ko arpan' programme that worked for the causes of under-privileged children. Through this programme the company makes a contribution of 10 paise per kilo of Tata Salt sold for a social cause. The contribution is handed over to Child Relief and You (CRY). The latest campaign by this brand is 'Maine Desh Ka Namak Khaya Hain' started in 2014 which takes forward the

mission of the previously successful campaign. At the same time this new campaign also applauds the contributions made by contemporary icons in their respective areas after becoming successful in their work. For this campaign Mary Kom the celebrated Indian pugilist is made the brand ambassador.

Through such campaigns TATA Group has been able to drive sales, build image and make commendable contribution to many a social causes.

Sustainable Development

Sustainable Development (SD) or Sustainability means different for different individuals and corporate bodies. However, it started out as an environmental concern which later on extended to social and economic causes. An early, widely used definition of Sustainable Development is given by Brundtland Commission as *“development that meets the needs of the present without compromising the ability of future generations to meet their own needs”*. The initial focus was on the environment- to ensure that corporate bodies carry out their activities without exhausting or destroying the natural resources. To attain the sustainable development businesses used widely acceptable framework that was designed by John Elkington, which is known as the *“triple bottom line”- People, Planet and Profits*. What it means that if a business wants to ensure sustainability and at the same time achieve financial growth, then it has to realise that it can only achieve this if it manages the social and environmental responsibilities diligently because society provides the businesses the people such as its employees, customers and so on while the environment provides the key resources. Thus, sustainability refers to ensuring a blend between financial, social and environmental factors.

Once a company accepts the role of sustainability, it becomes accountable not only to the shareholders but also to the various stakeholders of the company. This implies that various stakeholders have different expectations from the company regarding social or environmental issues apart from getting the desired economic benefits and it becomes the responsibility as to how the company adheres to the expectations of the various stakeholders.

CSR and Sustainable Development

A growing body of experts states that corporations can do well by doing good or working for its surroundings. It has been seen that big corporate houses like TATA Group, ITC limited, Birla Group, etc. have been able to differentiate their products and services as well as enable to achieve goodwill and reputation. All these have happened because the companies have taken up the responsibility of working for the well-being of the society and the environment in which they operate. These companies have paved the way to success by practicing CSR. It can be said that CSR has been instrumental for the various businesses to make an overall positive impact on society.

Sustainable Development of the TATA Group through CSR initiatives:

The company's CSR strategy is inspired by Jamsetji Tata's vision that "*in a free enterprise, the community is not just another stakeholder but it is in fact, the very purpose of existence*". With the focus on this statement, the company has undertaken operations and the wealth that has been earned in the process is gratefully returned to the people through its community services and initiatives.

Towards this, the TATA Group has adopted the triple-bottom line and recognises that People, Planet, Profit represent the pillars of strength for corporate sustainability. People refer to both the employees and the customers and people as a whole. The employees represent the backbone for the company as they undertake the various CSR initiatives. TATA Group is doing their best in ensuring sustainability of the environment by designing sustainable infrastructure, running efficient operations, engaging specialised people in green procurement and disposal activities. The company has taken up holistic approach towards reducing water usage, material usage, carbon emission and waste disposal. Thus, the company is doing their bit in keeping the Planet green. Apart from instilling sustainability in the company's business performance, a dedicated specialised team is working continuously to provide sustainable services to the customers. Integrating sustainability with the products and services provided to the customer is a significant addition of value to the company. This helps the company in a earning Sustainable Profits.

To improve the quotient of sustainability which is an approach to balance economic, environmental and social performance, Tata Sustainability Group was established in 2014. This group provides the support, guides the Tata group of companies in incorporating sustainability in their various business strategies. This group is meant to work with the Tata Group companies spread around the world in area of sustainability. The mission Tata Sustainability Group is based on the core value of the Tata Group provided by Jamsetji Tata. The company believes that not only being successful is important but also providing benefits to the stakeholders is important.

Data Analysis and Interpretation

In the following analysis, tables 1, 2 and 5 relate specifically to the TATA Group and the remaining tables and corresponding interpretations have generalised interpretation.

Table 1: Showing the gender distribution in the group of respondents.

Basis	Male	Female	Total
The gender distribution in the group	45 (55%)	37 (45%)	82 (100%)

Source: Primary Data

Interpretation: 45 (54.88%) respondents out of a total of 82 respondents are male while the remaining 37 (45.12%) are female.

Table 2: Showing awareness of CSR initiatives of the TATA Group.

Basis	Yes	No	Total
Awareness of CSR initiatives of the TATA Group among the respondents.	78 (95.12%)	4 (4.88%)	82 (100)

Source: Primary Data

Interpretation: As many as 78 (95.12%) respondents are aware of the CSR initiatives of the TATA group while 4 (4.88%) respondents have no knowledge of the CSR initiatives of the company.

Table 3: Showing change in outlook towards a company due to choice of CSR initiatives/ campaign.

Basis	Yes	No	Cannot Say	Total
Any change in outlook towards a company as a result of Choice of CSR initiative	54 (65.85%)	21 (25.61%)	7 (8.54%)	82 (100)

Source: Primary Data

Interpretation: As many as 54 (65.85%) respondents reported to have a change in their outlook towards a company due to its choice of a SCR initiative, with 21(25.61%) reporting to have no change and the remaining 7 (8.54%) chose cannot say option.

Table 4: Showing affect in purchase decision due to a company's choice of CSR Initiative.

Basis	Strongly Affected	Mildly Affected	Indifferent	Mildly Unaffected	Strongly Unaffected	Total
Affect on purchase decision	20 (24.39%)	48 (58.54%)	6 (7.32%)	8 (9.75%)	0 (0%)	82 (100%)

Source: Primary Data

Interpretation: A majority of 48 (58.54%) of the respondents believe that their purchase behaviour is mildly affected by choice of CSR initiatives while 20 (24.30%) respondents believe it is strongly affected by the initiatives. 6 (7.32%) respondents' purchase behaviour are indifferent towards the CSR initiatives, 8 (9.75%) respondents are mildly unaffected while none believes that their purchase behaviour is strongly unaffected by CSR initiatives.

Table 5: Showing the companies whose CSR initiative the people are aware of

Basis	Tata Tea	Tata Salt	Others
Companies supporting the initiative the people have come across	76 (92.68%)	79 (96.34%)	32 (39.02%)
Total	82 (100%)	82 (100%)	82 (100%)

Source: Primary Data

Interpretation: Out of a total of 82 respondents, 76 (92.68%) are aware of the CSR initiatives of Tata Tea while 79 (96.34%) are aware of the CSR initiatives of Tata Salt. 32 (39.02%) Of total respondents are aware of the CSR initiatives of the other companies apart from Tata Tea and Tata Salt.

Table 6: Showing effect of societal commitments while deciding to work

Basis	Yes	No	Cannot Say	Total
Affect on decision to work as a result of societal commitments of the company	57 (69.51%)	20 (24.39%)	5 (6.1%)	82 (100%)

Source: Primary Data

Interpretation: A majority of 57 (69.51%) respondents believe that the company's societal commitments affect their decision to work while 20 (24.39%) respondents' decisions are not affected. 5 (6.1%) respondents chose the 'cannot say' option.

Table 7: Showing effect of CSR initiatives while deciding to continue to work

Basis	Yes	No	Cannot Say	Total
Affect on decision to continue to work as a result of the CSR initiatives of the Company	66 (80.49%)	10 (12.20%)	6 (7.31%)	82 (100%)

Source: Primary Data

Interpretation: A majority of 66 (80.49%) respondents believe that the company's CSR initiatives affect their decision to continue to work while 10 (12.20%) respondents' decisions are not affected. 6(7.31%) respondents chose the 'cannot say' option.

Table 8: Showing the contribution of CSR initiatives in sustainable growth.

Basis	Yes	No	Cannot Say	Total
Importance of CSR initiative in ensuring sustainable growth.	73 (89.02%)	5 (6.1%)	4 (4.88%)	82 (100%)

Source: Primary Data

Interpretation: A majority of 73 (89.02%) respondents believe that the company's CSR initiatives have a major contribution in ensuring sustainable growth of the business while 5(6.1 %) respondents believe that it has no such contribution. 4 (4.88%) respondents chose the 'cannot say' option.

Recommendations

- Awareness regarding CSR and sustainability should be created for employees. Training programmes and workshops should be conducted. Recognition and rewards should be given to the employees who have successfully undertaken CSR initiatives. Thus employees will be motivated to work more diligently.
- Companies have the responsibility of reporting activities regarding their social responsibility concerns. This will help in maintaining transparency and ensure in building a positive reputation amongst the stakeholders of the company. Periodic reviews of the CSR activities should be undertaken in order to find out the shortcomings of the different business units.
- The companies should collaborate with customers and business partners in their CSR initiatives. Such companies should also take the customers' perspectives regarding CSR initiatives.
- Leadership is important to ensure that the sustainability goals are achieved. Managers play a crucial in ensuring that sustainability policies are integrated with other policies of the companies. Such managers should be given rewards, incentives and due recognition.
- When undertaking Cause-Related Marketing programmes, the companies should design the product and the cause that they are supporting in such a manner that are related to each other in some way. Target audience should find it relevant. They should take up the causes that are relevant to their domain of expertise.

Conclusion

Every corporate house has responsibility towards the society and economy in general which provide them with all the necessary resources right from human to material. In order to balance the economic and social forces, it becomes a necessity for the companies to undertake CSR activities. Keeping in mind the long-run growth and the sustainable development of the companies, framing CSR initiatives becomes an important task which will enable to strike a balance

between the corporate sector and the society in which they operate, man and natural resources concerns for the future generations. As far as the TATA Group is concerned, it is commendable to see the steps taken up to fulfil their responsibilities towards the society. It has been able touch many lives, provide employment skills, improve the standard of living and so on. Thus, it is correct to say that the TATA Group has indeed followed whole-heartedly the statement given by the founder of the TATA Group through the CSR initiatives.

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