



Corporate Social Responsibility: A Case Study of TATA Group

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Abstract

For a considerable amount of time, the leaders of the Tata Group have held the belief that monetary success is only significant if it is obtained in a manner that is both just and ethical, and if it is beneficial to the nation. J. R. D. Tata, who served as the chairman of the Tata Group from 1938 to 1991, was of the opinion that it was not sufficient to merely provide employees with comfortable housing, fair compensation, and favorable working circumstances. According to his point of view, businesses ought to likewise concentrate on the social duties that they have for the community and society that surrounds them. He was well aware that the government could not achieve social growth on its own, particularly in a country as diverse as India. Labor assistance programs were initially developed in this country before they were incorporated into the legal systems of other nations.

Keywords: CSR activities, TATA group, TATA Steel, Social Welfare

Introduction

Company social responsibility, also known as corporate conscience or responsible business, is a key part of many business plans. It's a way for companies to regulate themselves. Responsible business and company conscience are other terms for corporate social responsibility. Corporate social responsibility rules help promote self-regulation. There are many different ideas about corporate social responsibility (CSR). Some people believe that companies should do more than just follow the law and should take actions that benefit society, not just their own business goals. In corporate social responsibility (CSR), stakeholders include customers, workers, investors, communities, and others. CSR focuses on creating a positive effect on the environment and these groups. Another aim of CSR is to hold companies accountable for their actions. The phrase "corporate social responsibility" became popular in the 1960s. Since then, it has been used by many people to talk about a company's basic law and moral duties. Researchers Orlitzky, Schmidt, and Rynes found that a company's money-making ability is linked to how well it performs socially and environmentally. Even though it's difficult to measure the benefits of CSR, this is still true. The Business Dictionary explains corporate social responsibility (CSR) as a company's task to enhance the social and environmental conditions around its places of business. Businesses demonstrate their concern for the community when they adopt ways to cut down on pollution and waste, support causes they care about, and earn a fair return from their resources. A wider definition covers not only stakeholders but also actions like giving to charity and volunteering.

India has a long history of social duty in business (CSR). Many well-known companies have given to charity from the beginning. This includes companies such as Tata Group, Aditya Birla Group, and Indian Oil Corporation, among others. Many other groups have been helping the world with their charity and donations. More companies are now including CSR policies and programs in every part of their operations. Today's corporate social responsibility (CSR) efforts aim to improve how a business benefits its customers



and society. More companies are starting to see that Corporate Social Responsibility (CSR) is not just an added expense. It's important for keeping their good name, handling complaints, and becoming more competitive.

A Nielsen study from May 2009 found that Reliance Industries and two Tata Group companies, Tata Motors and Tata Steel, are seen as some of the top companies in India for their corporate social responsibility (CSR) work. India's approach to business social duty has changed a lot over the years. Businesses can significantly improve people's lives and enhance everyone's quality of life. The businesses Act of 2013 requires businesses that have a net worth of 500 crores or more, a turnover of 1,000 crores, or a net profit of 5 crores to spend 2% of their average net profits from the last three years on social responsibility projects. The Companies Act of 2013 lists these actions in Schedule VII, and these information can be updated. The rules have been in effect since April 1, 2014. On August 13, 2012, the Securities and Exchange Board of India (SEBI) said that companies should think about how they impact society and the environment, in addition to focusing on their financial and business success. The yearly reports of the top 100 listed companies based on market capitalization at both the BSE and the NSE are obliged to contain Business Responsibility Reports, as mandated by the Securities and Exchange Board of India (SEBI). You can often find these papers on different businesses' websites. For a long time, people in India have viewed corporate social responsibility (CSR) as a positive and important practice. It was done naturally as part of Indian tradition. As a result, there are not many records about specific actions connected to this idea. This paper explains corporate social responsibility (CSR) at TATA Group, with a focus on what TATA Steel does for CSR.

Research Objectives

The study was undertaken to fulfill the following objectives:

- To study the policies governing CSR in India
- To understand the concept of CSR at TATA group.
- To explore the different CSR activities undertaken by TATA group, emphasizing on TATA Steel

Purpose

This study aims to shed light on CSR initiatives within the context of the TATA Group and to obtain a better grasp of the concept and scope of CSR generally. Corporate social responsibility (CSR) has a ways to go because numerous businesses in India have grown tremendously in the past five years. In the last twenty years, as the Indian economy has begun to liberalize and globalize, firms' goals have changed. They used to be solely focused on making a profit for shareholders, but now they aim to ensure the well-being of all its stakeholders. After conducting extensive study on CSR in India and its significance in the business world, we are left with numerous important topics to think about. Given this, it's important to assess the Tata Group's socially responsible initiatives in connection to this controversial relationship in the Indian environment. Castello Branco and Lima Rodrigues released their results in 2007. The new Companies Act of 2013 requires businesses to show social responsibility, which led to the creation of the corporate social responsibility (CSR) program. According to Section 135 of the new Companies Act and the CSR Rules, companies must donate 2% of their net income for social projects in India, with some limitations". The Ministry of Corporate Affairs (MCA) has created the Corporate Social Responsibility Rules, 2014 to carry out this law. The rules will start on April 1, 2014.

Companies must create a corporate social responsibility group if they have a net worth of 500 crore, a turnover of 1,000 crore, or a net profit of 5 crore. This group works on several important issues, including improving education, promoting gender equality, empowering women, supporting maternity health, and ensuring environmental sustainability. The company's net profit does not include dividends from other



Indian companies or income from its foreign branches or subsidiaries. The law treats both foreign and local businesses the same. It includes any foreign companies doing business in India, whether directly, through an agent, or online. A. B. Carroll's works started in 1991.

Review of literature

(Amit Kumar Srivastava, 2019) studied *Corporate Social Responsibility: A Case Study of TATA Group* Humanity has traveled a remarkable distance from the barter system to the current era of plastic money. Unquestionably, profitability has always been the motivation and underlying theme of all of this development. However, as all things have two sides, increasing fierce competition and business rivalries began to negatively impact quality, transparency, the environment, and society at large, putting the harmonious coexistence of business and society in jeopardy. Businesses began to realize that they would need to go above and beyond the pursuit of profit in order to directly or indirectly support everyone involved in their existence in society. The idea of Corporate Social Responsibility (CSR) was born out of this insight. The purpose of this research paper is to gain a better understanding of corporate social responsibility (CSR), explore its concept, and determine its scope through a case study of the TATA Group, led by Mr. Ratan Tata, who has demonstrated a sense of responsibility for the advancement of the general public, environmental preservation, and national development.

(Rana Khan, 2019) studied *Corporate Social Responsibility: A Case Study of TATA Group (emphasizing on TATA Steel)* The leaders of the Tata Group have consistently maintained that no material accomplishment is valuable unless it benefits the country and is attained by just and moral means. The chairman of the Tata Group from 1938 to 1991, J R D Tata, thought that to create good working conditions, to pay the best wages to its employees, and to provide decent housing to its employees are not enough for the industry, the aim of an industry should be to discharge its overall social responsibilities to the community and the society at large, where industry is located. He was aware that the government alone could not accomplish the task of social progress, particularly in a country as diverse as India. Even before labor welfare policies were enshrined in international statutes, it was the first to implement them.

(Rentala, 2019) studied *Role of Leadership and Corporate Governance: The Case of Tata Group and Infosys* Do you have a job? Do layoffs occur? How long do you intend to stay employed by the same company? How would you rank your performance? These are the standard questions that are posed to lower-level workers in international companies. It's possible that the days of employees working for a company for a long time are over. For a variety of reasons, attrition rates are rising in many businesses. However, to what extent do these tendencies apply to C-suite or top-level employees? Are they treated properly by the organization's founders and boards, or are they equally affected by different situations, such as middle- and bottom-level employees? By taking into account the recent problems that have occurred at Tata Group and Infosys, an effort was made in this case study to see if we might find some solutions to these questions. The 2016 dismissal of Cyrus Mistry from the Tata Group and the 2017 Infosys scandal shook India's corporate image globally and sparked debate over corporate governance. The careers of a technocrat CEO and an insider chairman of a conglomerate were abruptly interrupted by two business titans, Ratan Tata and Narayana Murthy, which damaged their reputations. It calls into question the roles and leadership philosophies of such corporate conglomerates. The three pillars of corporate governance—transparency, accountability, and security—appear to have fallen short in these two companies. The leaders' reputation, honesty, and business ethics are seriously called into doubt in light of the verbal abuse that persisted in a public forum for days.

(Srivastava, 2012) studied “*Corporate Social Responsibility: A Case Study of TATA Group* The concept of corporate social responsibility (CSR) did not gain traction in the United States until the early 1970s. The United States was dealing with a number of social problems at the time, such as pollution, unemployment,



and poverty. The dollar's price dropped significantly as a direct consequence of this. The idea of corporate social responsibility, or CSR, has become a topic of great importance for many organizations looking to improve business practices. Businesses recognized and started to accept their social obligations starting in the 1980s and continuing until the year 2000. The main goal of corporate social responsibility (CSR), which pushes companies to produce wealth, is to do so for the maximum benefit of all stakeholders, including shareholders, employees, customers, the environment, and society. The term stakeholder in the context of an organization refers to any individual that the organization's operations and performance have some direct or indirect influence on. This term was used to describe firm owners who were stakeholders in addition to shareholders as a result of R. Edward Freeman's 1984 book *Strategic Management: A Stakeholder Perspective*.

(Smita Kumbar, 2017) studied *CORPORATE SOCIAL RESPONSIBILITY: A CASE STUDY OF TATA MOTORS* From the era of the trade system to the modern era of plastic money, humanity has sped up an oddly lengthy journey. All of this development has always been motivated by and underpinned by profitability, but as all things have two sides, the growing competition and business struggles in the competitive world began to negatively impact excellence, transparency, the environment, and society at large, endangering the diplomatic existence of both business and society. Businesses in the sector began to realize that, in order to ensure the success of the company, they would need to go above and beyond cost-effectiveness and care for everyone who is either directly or indirectly connected to their cultural longevity. The implicit concept of Corporate Social Responsibility (CSR) was impacted by this responsiveness. The acceptance of corporate social responsibility (CSR) is examined in this research paper, along with its concept and scope, using the Tata Group as a case study. The group has demonstrated the intelligence of accountability in the direction of enhancing mutual commonalities and protecting the environment and national advancement.

(Siddharth Mohapatra, 2018) studied *Tata as a Sustainable Enterprise: The Causal Role of Spirituality* The Tata Group is celebrating its 150th anniversary in 2018. This essay aims to investigate how spiritual family values have shaped Tata into a long-lasting company. The founder of Tata, Jamsetji Nusserwanji Tata, was a Parsi priest by training. Humata, or good thoughts, Hukhta, or nice words, and Hvarshta, or good deeds toward others, had a big impact on him. The Tata leadership lineage has consistently adhered to the Zoroastrian religious precepts since its establishment in 1868. According to the material currently available on workplace spirituality, spiritual and religious values are essential for both individuals and businesses to thrive. We trace the history of Tata using historical data and a biographical approach in order to investigate the causal relationship between spirituality and sustainable business, taking into account the influence of sustainability, stakeholder concepts, and leadership based on family values. There is discussion of the implications for both research and practice.

(Tanoj Mondal,, 2021) studied *Case Study of Tata Steel Ltd. for CSR Spending, after implementation of Companies Act, 2013*”. From a business perspective, corporate social responsibility, or CSR, is a complicated subject. CSR encompasses legal, ethical, moral, and business endeavors. India has a long history of humanitarian endeavors. In my opinion, Tata Steel Ltd. is leading the industry in CSR innovation. This study examines Tata Steel Ltd.'s level of compliance with the 2013 Companies Act's CSR funding criteria. Tata Steel Ltd.'s sector-by-sector CSR spending is thoroughly examined in order to evaluate the company's CSR practices. According to this analysis, obligatory CSR spending has cost Tata Steel Ltd. more than 2% of its average earnings over the previous three years. Additionally, this study discovered that Tata Steel Ltd. has prioritized education and healthcare. To guarantee that the required CSR funds are used in other pertinent areas, more projects pertaining to the development of slum areas, R&D projects, and the advantages of the armed forces should be undertaken.



Research Methodology:

An investigative approach grounded in a literature review, an experience survey, and a case study. Using a five-point Likert scale and a weighted average value (AWV), this case technique asks 37 senior technical executives with over 15 years of expertise at Tata Motors for their thoughts on the aspects that have been properly stated.

II. Concentric Circle & CSR

The Committee for Economic Development released a report in 1971 that clarified certain elements of the duties that companies are supposed to carry out. There were three interconnected rings in Tata Motors' organizational structure that constituted the responsibilities of the corporation.

- (a) **Inner Circle:** The economic function, goods, employment, and economic development are all subject to clear and fundamental obligations that must be carried out in an effective manner.
- (b) **Intermediate Circle:** entails the need to carry out this economic duty while maintaining a sensitive awareness of the shifting societal values and objectives". Take, for example, the conservation of the environment, the employment of personnel and their connections with them, the expectations of consumers for information, the aspects pertaining to safety, and so on.
- (c) **The Outer Circle:** Emerging, although vague, duties that businesses should take on in order to be more actively involved in enhancing society. Published by Ahire, S.L., D.Y. Golhar, and M.A. Waller in 1996.

III. Social Responsibility as Identified by the core group managers in Tata Motors

It is clear from the following table that the Core Managerial Group at Tata Motors has established five social duty standards in a suitable way. Listed below are these factors. The core group of managers believes this should be present in their organization at all times and claims to be nearing completion of the task. With the use of a random sample of 37 technical officers, this study aims to quantify, using awv, the extent to which the organization possesses the five CSR criteria. In order to determine whether the parameters indicated earlier are valid, this is done. Using a numerical weightage of one for "nil" existence and five for "full existence" (sometimes known as one hundred percent), the awv is based on a five-point Likert scale, where any value between one and five indicates the degree of weightage utilized.

a) Responsibility towards Organization

Tata Motors is accountable for the management of its business, as well as for the company's development, expansion, and stability, and for the financial gain that results from these endeavours. Increases in organisational efficiency are necessary if the company is to achieve its goals in terms of both social and economic development.

b) Responsibility towards Employees

When it comes to an organisation, the most crucial component is its workforce. A company entity is responsible for a number of duties towards its workers, "some of which are listed below:

- Timely payment
- Hygienic environment
- Good and impartial behaviour
- Health care through yoga
- Recreational activities
- Encouraging them to take part in managerial decisions (Albareda, L ,2008).

c) Responsibility towards shareholders



The corporate body is accountable for protecting the investments made by shareholders and making every attempt to deliver a return on investment that is commensurate with the level of investment they have made.

d) Responsibility towards Govt

In accordance with the regulations governing income tax, the state is entitled to a certain portion of the profit that is ultimately accessible". With respect to the profit and loss account as well as the balance sheet, the utmost openness is required to be maintained.

e) Responsibility towards society

Keeping prices low without sacrificing quality is a top priority for the company. Some instances of unethical business practices that should be avoided include hoarding and black marketing. It is the organization's duty to do everything it can to aid in environmental preservation. Its entire product line must be eco-friendly. E. Abrahamson's work from 1991 further highlights the need to address waste management in industrial processes.

Conclusion

In company, sustainability is more of a journey than an endpoint. Although the government's effort with the businesses law is praiseworthy, the definition of corporate social responsibility (CSR) spending is left to the corporations themselves because it is not clear what amounts to such spending. These days, most people agree that CSR, or corporate social responsibility, is crucial to companies' survival and growth as well as to society's progress toward its objectives. Conversely, businesses face the challenge of developing a strong and innovative CSR strategy that can lead to outstanding performance in ethical domains. Corporate social responsibility differentiates itself from philanthropy and donations. Businesses may make a difference in people's lives and the world at large by adopting this approach to operations. Businesses that care about doing good in the world don't just focus on making money; they also examine other important factors. Incorporating social, environmental, and economic objectives into the company's operations and growth is what corporate social responsibility is all about. The guiding principle of Tata Steel, a pioneer in the adoption of sustainability as a policy, is the philosophy that income that is generated must be continually provided to society. The responsibility of integrating society's social, environmental, and economic dimensions is fundamental to Tata Steel's way of life. When these three factors work together, they ensure that the company will keep making money, which is good news for everyone involved. When it comes to environmental sustainability, social and community programs, and employee welfare, Tata Steel has been at the forefront of the industry since day one. The corporation is fully aware of the impact it has had on Mother Earth and has taken full responsibility for it. Tata Steel continues to devote a great deal of resources in India to initiatives concerning safety, CSR, and climate change via its several social wings. Corporate social responsibility is a core value within the TATA Group.

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