



A STUDY ON CORPORATE SOCIAL RESPONSIBILITY AT TATA POWER

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Abstract

Corporate Social Responsibility (CSR), can be described as, the continuous commitment by corporations towards the economic and social development of communities in which they operate.

Corporate Social Responsibility 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”), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that.

This paper highlights the concept of CSR and practices exhibited by Tata Power.

Key Words: Corporate Social Responsibility, Sponsorship, Philanthropy, Environment, Stakeholder.

Introduction

Corporate Social Responsibility (CSR) is a concept that has attracted worldwide attention and acquired a new resonance in the global economy. Heightened interest in CSR in recent years has stemmed from the advent of globalization and international trade, which have reflected in increased business complexity and new demands for enhanced transparency and corporate citizenship.

Corporate social responsibility has been very popular amongst companies and top corporations. Especially in the 21st century when environmental concerns, human rights, labor rights, fair trade and many other concerns are becoming increasingly important to consumers, stakeholders and companies alike.

In order to streamline the philanthropic activities and ensure more accountability and transparency, the government of India made it mandatory for companies to undertake CSR activities under the Companies Act, 2013. The concept of CSR is defined in clause 135 of the Act, and it is applicable to companies which have an annual turnover of Rs 1,000 crore or more, or a net worth of Rs 500 crore or more, or a net profit of Rs 5 crore or more.

Literature Review

Windsor (2001), article examined the future of Corporate Social Responsibility or the relationship between business and society in long run. The researcher tried to find out that whether the organization and society will come closer to each other in future or not and what will be the changing phase of CSR. With the help of history or past trend of CSR, Carroll’s model analysis and in global context, the researcher found three emerging alternatives of CSR i.e. conception of responsibility, global corporate citizenship, stakeholder management practices.

Nigel Sarbutts (2003), the paper explored the way of doing CSR by small and medium sized companies. The research depicted that a structured approach to managing corporate reputation and profit maximization of SME’s through CSR. The societal activities of small and medium sized companies is based on their cost is Benefit Analysis. Small Corporation always struggle for more reputation and minimization of risk. In such a situation, CSR comes as hope for these companies. Large companies have so many resources for implementing CSR activities but SME’s have less resources. It can be a barrier for them to stay in the market. So, in that situation by imparting much information, proper utilization of resources, doing well for businesses, SME’s can minimize their risk and manage CSR.

Marne (2005) proposed a transnational model of corporate social responsibility (CSR) that permits identification of universal domains, yet incorporates the flexibility and adoptability demanded by international research. The end result is a multi-dimensional typology that permits the organisation and development of empirical CSR research in an internal setting Fronk



et.al. (2005): analysed three views of CSR and CSP one view is that development occurred from conceptual vagueness, through clarification of central constructs and their relationships. other view that hardly any progress is to be expected because of the inherently normative character of the literature. Final view is that progress in the literature on the social responsibilities of business is observed or even hampered by the continuing introduction of new construct this survey explores which of these three views better describes.

Mittal et.al. (2008) reported that there is little evidence that companies with a code of ethics would generate significantly more economic value added (EVA) and market added value (MVA) than these without code Buchholtz (2006), in his study on CSR, Corporate Social And Financial Performance: an empirical study on a Japanese Company examined the relationship between corporate social performance (CSP) and corporate financial performance (CFP) through a quantitative analysis. The study was conducted on 295 companies which is one-tenth of the listed companies in Japan. The result showed a significant relationship among CSP, Equity Capital Ratio and the number of employees.

Truscott, Bartlett, Trwoniak (2009), paper “industry in Australia” in Australian study methodology. On market in the basis of the interview of key persons of industries in Australia, the term CSR has been explained. The industrialist revealed that CSR increasingly has become significant. They shared their views of CSR in economic, legal and ethical roles of business in society. Beside this, the industrialist viewed CSR as a model of corporate reputation.

Shah, Bhaskar (2010), has taken a case study of public sector undertaking i.e. Bharat Petroleum Corporation Ltd. in their research work. The research has discussed that there is a broad relationship between the organization and society. Organization has its existence only with the society. Organization used the resources/inputs of the society like material and human etc. In reverse, the organization provides services to the society. From the case study of the BPCL, it was found that company has taken a lot of initiatives in order to serve the society.

Harbajan Bansal, Vinu Parida and Pankaj Kumar (2012) in their paper entitled “Emerging trends of CSR in India” analysed 30 companies of 11 sectors listed in the Bombay Stock Exchange with the help of their annual reports. Some of these sectors were Transport Equipment sector, Finance and Metal Mining sector, IT & Power, Capital goods, Telecom, Housing, FMCG, Oil & Gas, Cipla etc. The study concluded that the companies today are working not only to earn profit but have also realized the importance of being social friendly. Social Responsibility today has started taking a turn in the new direction.

Objectives of the Study

1. To understand the concept of CSR.
2. To find out the scope of CSR.
3. To know how the Tata Power has fulfilled its responsibility towards all stakeholders; what specific activities, programs and strategies it has set, devised and implemented for the same.

Methodology

This study was conducted using secondary data. In this study data on the CSR was collected from the websites, annual reports, newspapers and CSR reports.

Limitation of the Study

This study was done exclusively on CSR activities exhibited by Tata Power.

CSR at Tata Power

At Tata Power, Corporate Sustainability integrates economic progress, social responsibility and environmental concerns with the objective of improving the quality of life for all stakeholders, now and for generations to come. They view it as an opportunity to make a difference and remain committed to the issues of resource conservation, energy efficiency, environment protection and enrichment and development of local communities in and around areas of operations.

In their drive towards clean environment, they are trying to set standards in the development and implementation of cutting edge eco-friendly technologies and processes for energy management. They have recently announced their intention to bring carbon capture and storage technologies from the research and pilot stages into large scale commercial application. They are working with policymakers and regulators to advance technology, strengthen the renewable energy portfolio, accelerate the development of cost effective energy efficiency programs and manage consumers' demand for electricity. They have to work with stakeholders if they are to make significant progress in this direction. Their 9 decades of track record of successful



innovation and leadership gives them the confidence that they can find ways to address climate change that pay important dividends in the future for our customers, shareholders and society.

They continue to intensify their focus on safety and health, and they are resolute in their determination to improve. They are focused not on numbers, but on the human aspects of health and safety — the spouse who is left a widow, the children who lose a parent or the employee who is recovering from an injury. At its core, safety is a personal obligation, and they won't stop trying to get that message across because the loss of a single life is completely unacceptable to them.

Sustainability at Tata Power

Tata Power has always set a standard in adopting sustainable practices in its business. Tata Power is currently the leader in installed Wind Power capacity in India; various new technologies in the renewable space are being adopted by the company. However Sustainability at Tata Power does not stop only at renewable initiatives, they believe in Sustainability being a lifestyle that each individual must adopt.

Economic Sustainability is an important factor for any business. However, overall sustainability of an organization, in the long run, will be on a positive growth if the organization cares for the environment, society, customers and its employees. With this view they have developed the Sustainability Model at Tata Power, as shown below.

The intent of their Sustainability model is 'Leadership with Care' with four key elements-

Care for the Environment;

Care for the Community;

Care for our Customers / Partners

Care for our People.

Community Relations

Tata Power believes in integrating its business values into operations to meet the expectations of its stakeholders. Communities, ranging from those villages around its plants to those employed by its contractors and suppliers, constitute important stakeholders.

Tata Power will continue to serve its communities by:

- Ensuring they benefit from the Company's presence by proactively responding to their needs.
- Providing assistance during time of disasters.
- Building and strengthening community institutions including Gram Panchayat, which will enable them to realize their rights and entitlements.
- Working in partnership with NGOs, State and Central bodies to widen the reach and leverage each partner's individual experience and expertise.
- Encouraging its employees to volunteer their time for society.

Area of Operation

Demography

The Community Relations of Tata Power is operating in 176 villages of 14 districts in seven states of India. It covers 50,353 households and 2, 80,826 population, where 30% belongs SCs and STs (12% Scheduled Caste –SC and 18% Scheduled Tribe -ST) and 41% Other Backward Classes (OBC) and the remaining 29% belong to General community.

Environment Protection

Long before the present global ecological concern, Tata Power realised its moral and corporate responsibility towards environmental protection.

- Tata Power started off over thirty years ago with eco-restoration and eco-development programmes in its area of operation in the Western Ghats, particularly in the catchment areas of the lakes in Mawal and Mulshi Talukas. Since then, over 70 lakh saplings of 60 tree species have been planted in the area.
- The programme was intensified in 1995. Over 6 lakh trees, mainly evergreen and indigenous species, are being planted regularly, enriching the flora and fauna of the surrounding hills.
- A green belt of about 1 lakh trees has been raised around the Trombay Thermal power plant and nearby hillsides.
- Actively supports pisciculture activities at their hydro stations by assisting in the breeding of fishes like the Mahsheer.
- Also built and maintains two gardens in Mumbai Metropolis.



Pollution Control

Driven by its commitment to power generation harmonious with nature, Tata Power has taken concrete steps to sustain the ecological balance. Over Rs.100 crores have been invested on pollution control equipment at the Trombay Thermal Power Plant, to install:

- India's first-of-its-kind Flue Gas-De-sulphurisation plant to reduce sulphur dioxide emissions in flue gas, based on the sea-water scrubbing principle.
- Electrostatic Precipitators of 99.5% efficiency.
- Fly Ash aggregate plant to convert fly ash into lightweight aggregates, a valuable building material.
- Tall Chimneys (152 m and 275 m) to limit the ground level concentration of emissions.

Environment Education

Environment education must be made a concomitant of environment conservation. Tata Power has taken a lead in this direction.

- Tata Power conducts a non-formal School Comprehensive Environment Programme (SEEP) with the help of Bharati Vidyapeeth Environment Education and Research Institute, Pune.
- The Company has undertaken to set up an Environment Interpretation Centre to create general awareness among people.
- Construction of Primary schools in rural areas.
- Constructing of one-room primary education centres in 38 remote villages in the catchment areas to ensure that at least primary education is available. Tata Power is also committed to assist in building 4 to 5 schools every year. The Company also provide all necessary help in running the schools at the power stations at Bhira and Bhihpuri.
- Training imparted to more than 200 teachers under education awareness programme.
- Improving the quality of water of village ponds.
- Supplying drinking water from the Company's lakes to Panchayats and, on Government request, to drought-prone villages by tankers and bullock carts.
- Providing medical aid in rural areas by organising medical camps with the help of Doctors of Rotary Club.

Rural Electrification Project

This project was undertaken as the villages it covered, i.e. Udhewadi and Walwandi are situated in very remote as well as hilly terrains of Maval Taluka in Maharashtra. The conventional method of grid connectivity was a difficult proposition. TPC therefore partnered with Maharashtra Energy Development Agency to ensure that these villages receive electricity. Houses as well as streetlights were provided under this scheme. Huts of tribals, which were away from the main village, have also been provided with independent home systems and streetlights. The Company provided a 10% share of the electrification project approved by Maharashtra Energy Development Agency jointly with Ministry of Non-conventional Energy Sources.

In Jojobera (Jharkhand), 35 solar street lights and 100 lanterns were donated to the villagers of Khayerbani.

Education

The importance of literacy and education cannot be undervalued today. But mere concrete structures of schools are often insufficient to ensure that children, especially girls receive a minimum Primary education or reduce the drop out rates.

One of the several reasons of dropouts and low level of motivation of parents towards children's schooling in rural areas is due to the lack of proper infrastructure and the distance of schools from the villages. Often, schools are established in dilapidated, unhygienic conditions with cramped space, lack of proper sitting arrangements for the children and lack of accommodation for teachers near the schools. Tata Power has built, repaired and renovated schools annually and created new infrastructure for progressive education.

Construction of primary schools and addition of classrooms to existing schools in villages, in the Hydro areas, has increased the number of girl students in particular and students in general. Access to primary education was earlier the sole prerogative of the male child because of social conditioning as well as distance of the school from the residential area.

Healthcare

The Company extends healthcare through its Medical Centres, to the surrounding communities. Medical Camps are conducted through the year and medicines distributed. Early diagnosis had led to early treatments thus reducing Mortality



Rates. We have been partners in the Polio Immunization Drives of the Government by providing the necessary infrastructure to conduct the Drives.

In 2003, the “Life Line Express” medical camp spanned across 40 days and catered to 10,692 patients from the remotest villages in the Mulshi and Maval Talukas. This programme owes its success to the relentless efforts of volunteers who trudged through fields into villages with no motorable roads. We are immensely proud of what it achieved for the villagers. The caring attitude of our volunteers made the difference that earned us their compliments.

HIV AIDS Awareness Programmes

HIV AIDS Awareness Programmes have been extensively held by a band of our volunteers across Mumbai and hydro areas. In the programmes conducted, there have been 3,080 beneficiaries – students, teachers, truck drivers & cleaners, police personnel, & contract labour employees at Tata Power premises. The thrust has been on targeting the “at risk” group, moving on to other vulnerable groups like youth and influencing authority figures like teachers.

Income Generation Activity

Release of Fish in Village Ponds

Release of fish in village ponds of the Mulshi and Maval talukas is a routine activity carried out annually. In the years 2004 - 2007, 30.4 lakh fishes were released.

Besides facilitating income generation, easy availability of fresh fish helps ensure protein-rich diet to the villagers at an affordable price.

Mahsheer Breeding

The Mahsheer Breeding Programme has entered its 35th year and Indian Council of Agricultural Research has recognised the work done by TPC in Mahsheer conservation and sustaining it for more than three decades. Incidentally, this is the most successful Mahsheer breeding facility in India and South East Asia. In 2005, over 4.5 lakh eggs were fertilized and 2.70 lakhs fry / semi-fingerlings were produced.

The Company has also carried out cage culture and ranching programmes successfully and demonstrated the use of such research programmes for replication all over the country.

Distribution of Fruit Trees to Self-Help Groups

TPC distributes fruit trees to villagers in Mulshi and Maval Talukas. The beneficiaries are encouraged and guided in caring for them. The villagers harvest the fruits. This activity also ensures maintenance of greenery and prevents soil erosion. The total number of trees distributed to date comes to 35,000.

Distribution of Paddy Seeds

Paddy seeds of Karjat - 3, a variety that yields higher quantities were distributed to 40 farmers in Bhivpuri in Raigad District. The farmers reported an increase of 1.5 times over the yields reaped so far.

Miscellaneous Training Programmes Facilitating Employability / Self Employment / Income Generation

Horticulture Training Centre at Talegaon

Tata Power has been sponsoring village youth, boys and girls, for a one-week residential programme at the Horticulture Training Centre belonging to the Govt. of Maharashtra. The participants were drawn from Tata Power’s hydro catchments areas and the villagers in the vicinity of the powerhouse. The centre was established in collaboration with Holland and extends training in horticulture, floriculture in polyhouses, nursery for ornamental plants, organic farming, vermin-compost and vermiculture, drip irrigation and vegetable farming.

Over 114 youths were trained in this centre and many of them have started applying this knowledge in farming. Some have been employed in some of the floriculture projects in the area.

Training in Composite Fish Farming

Very few village tanks in the area are used for fish culture. Since fish growing in village tanks not only generates income, but also helps in keeping the water clean and potable for drinking and other purposes, a training programme was organized for village youth and youth from the fisher folk community in fish farming and aquaculture.



The training involved all the practical aspects of farming like preparation of ponds before releasing fish, manuring, and stocking of fish in calculated ratio to get maximum yield, monitoring the growth, harvesting and post-harvesting technology and marketing. It also covered fresh water prawn farming and pearl culture, repairs to fishing nets, etc.

Training of Gardeners (Malis)

Trained 'Malis' have good employment opportunities in hill stations like Lonavala. Adequate training has the potential to generate self-employment for the local community as well. Considering this, Tata Power arranged for the basic training of youth in the Lonavala area in ornamental gardening like simple landscaping, rose gardening, medicinal plants, nursery for forestry and seasonal flowers, budding, vegetative propagation, indoor plants and lawn maintenance, polyhouse maintenance, afforestation, etc.

The training caters to the needs of the marginalised sections of society who are working as casual labourers by upgrading their skills through gardening, so that they can earn higher income than casual labourers.

Conclusion

It can be concluded from the above study that Tata Power is actively exhibiting Social Responsibility in various fields like Health, Education, Women Empowerment, Environmental protection. Policies are in place with regard to CSR. Company is having Integrated Management System to upgrade and improve the quality, health and environment management system.

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