

Corporate social responsibility practices on health, education and environment in India (With reference to Tata Steel)

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Abstract

Corporate Social Responsibility is regarded as a way by which the companies are integrating their social, environmental and economic concerns in their cultural values to improve as well as being of the society. With the sincere efforts of the company, they are attaining the success in achieving their corporate goals in terms of social development and enhancing their corporate image & kindness. Corporate Social Responsibility is a set of policies, practices, procedure and programs activity. It is integrated part of business operations, regulation and decision making processes in organizations. The organizations include Corporate Social Responsibility for current & past actions as well as for future impacts.

The main purpose of the study is to analyze the corporate social responsibility activities carried out by Indian private most popular Tata Steel companies and to study the Indian government policies and programs of corporate social responsibility. The study is based on the secondary data taken from the annual reports of the select firms of Tata steel for the financial year 2012 to 2015. The study adopts analytical research design. Nowadays various companies and organizations are adopting corporate social responsibility practices to achieve corporate sustainability. The purpose of this research paper is to study the various corporate social responsibility practices of Tata Steel Company.

Keywords: Corporate Social Responsibility, Tata steel, Community development, health, Environment and education Programs.

Introduction

Corporate social responsibility (CSR) is on the rise all over the world, and India is no exception. The history of corporate paternalism has played an important part in shaping community expectations and corporate social responsibility practices in India. Civil society, consumers and other actors have increased the pressure on companies to adhere to social and environmental standards, and this new "civil regulatory" environment has had impacts on business in India.

According to Prof. N.R. Sheth- A corporate enterprise has been recognized as a "person" in law. It should also be recognized as a person in society. A corporate takes birth and grows in response to needs and labours of various stakeholders- entrepreneurs, managers, workers, local community, larger society, buyers, suppliers and of course, the state. Healthy survival and development depend on adequate nurturing by all these stakeholders. The concept of social responsibility should therefore include the whole spectrum of stakeholders. Responsibility should be clearly perceived and projected as responsibility and therefore be kept away from ideas of philanthropy, charity, generosity and the like. A corporate, as a citizen, should understand that its own well-being is inextricably linked with the well-being of all stakeholders. Its financial management as well as human resources should notionally cover all stakeholders. One practical way of defining social responsibility is to allocate resources for material and human investment beyond legal obligations. How far and how should one contribute to the short-and long-term welfare of employees, clients, suppliers,

people in the vicinity (especially those who supply human capital) and the wider population? What can be done to build bridges of understanding and mutuality with various categories of stakeholders? How does one demonstrate a mindset which emphasizes interest in other beyond the realm of self-interest? Indian corporate sector is spending 0.2 % of their profits towards corporate social responsibility activities only.

Tata steel is vision to be a global benchmark in value creation and corporate citizenship and the Company's long-term Corporate Social Responsibility objective, is to improve the quality of life of the society through long-term value creation for all stakeholders. This objective is in alignment with the Tata Group Core Purpose. Towards achieving this, the Company has been a pioneer in various Corporate Social Responsibility initiatives.

It is continue to remain focused on improving the quality of life and engage community through health, education, sports and infrastructure development. The Company has spent last three years Rs. 550 crores on Corporate Social Responsibility activities (Rs.171crores in Financial Year 2014-15). The Tata Steel are awarded by Economic Times with 'Corporate Citizen of the Year' Award in 2014. The award acknowledges the work done by the Company's Corporate Social Responsibility arms to promote development in areas including healthcare, education, sports and culture. The jury took special note of the Maternal and Newborn Survival Initiative (MANSI) and recognized it as one of the best healthcare practices globally.

Significance of the Study

India is the 2nd highest population country in the world. Most of the population is living in the villages. India has achieved 65% literacy rate only. Majority of the rural people are illiterates, not accessible to good health facilities and nutritious food the 20% rural people are live in the poverty line.

The business houses are earning profits by rendering their services to customers in society. The government alone can't uplift the downtrodden people. The corporate houses and non-governmental organizations have to come forward to eradicate various social evils and play vital role in society development their activities such as providing quality education, extending healthcare facilities, nutritious food, creating awareness on environment safety, drinking water facilities, sponsoring the sports events, participating in natural disaster management programs, ethical values promotion, enriching the Indian culture etc. The corporate houses have to come forward to do their part towards development of the society.

This contribution will be helpful to the organizations to enhance their brand awareness and reputation in the market. The society development should be treated as an integral part of the organization's strategy. Corporate Social Responsibility strategies promote the corporate sustainable development as well as society as at large. Therefore community development is a responsibility of the government, non-governmental organizations and business organizations as well.

History

Corporate Social Responsibility, phrase was coined in 1953 with the publication of Bowen's Social Responsibility of Businessmen" (Corporate watch report, 2006). The evolution of corporate social responsibility is as old as trade and business for any of corporation. Industrialization and impact of business on the society led to completely new vision. By 80's and 90's academic Corporate social responsibility was taken into discussion. The first company to implement Corporate Social Responsibility was Shell in 1998. (Corporate watch report, 2006) With well informed and educated general people it has become threat to the corporate and corporate social responsibility is the solution to it. 1990 was corporate social responsibility as a standard industry with companies like Price Warehouse Copper and KPMG. corporate social responsibility evolved beyond code of conduct and reporting it started taking initiative in NGO's, multistate holder, ethical trading. (Corporate watch report, 2006)

Evolution in India

India has a long tradition of paternalistic philanthropy. The process, though acclaimed recently, has been followed since ancient times albeit informally. Philosophers such as Kautilya from India and pre-Christian era philosophers in the West preached and promoted ethical principles while doing business. The concept of helping the poor and disadvantaged was cited in several ancient literatures. In the pre-industrialized period philanthropy, religion and charity were the key drivers of Corporate Social Responsibility. The industrial families of the 19th century had a strong inclination toward charity and other social considerations.

However, the donations, either monetary or otherwise, were sporadic activities of charity or philanthropy that were taken out of personal savings, which neither belonged to the shareholders nor did it constitute an integral part of business. During this period, the industrial families also established temples, schools, higher education institutions and other infrastructure of public use.

The term Corporate Social Responsibility itself came into common use in the early 1970s. The last decade of the twentieth century witnessed a shift in focus from charity and traditional philanthropy toward more direct engagement of business in mainstream development and concern for disadvantaged groups in the society. In India, there is a growing realization that business cannot succeed in isolation and social progress is necessary for sustainable growth. An ideal Corporate Social Responsibility practice has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well socio-economic status (Bajpai, 2001) [2].

Currently, there is an increased focus and a changing policy environment to enable sustainable practices and increased participation in the socially inclusive practices. Some of these enabling measures have been illustrated in the next section of this report. The Corporate social responsibility can be viewed simply as a collection of good citizenship activities being engaged by various organizations. It is community long-term sustainability. The essence of corporate social responsibility comprises philanthropic, corporate, ethical, environmental and legal as well as economic responsibility. It is also known as triple bottom line. In India, the evolution of corporate social responsibility refers to changes over time in cultural norms of corporations' engagement and the way businesses managed to develop positive impacts on communities, cultures, societies, and environment in which those corporations operated. Corporate social responsibility motives changed during the independence movement in India toward social reforms to encourage empowerment of women and rural development.

In the last decade, corporate social responsibility has rapidly evolved in India with some companies focusing on strategic corporate social responsibility initiatives to contribute toward nation building. Gradually, the companies in India started focusing on need-based initiatives aligned with the national priorities such as public health, education, livelihoods, water conservation and natural resource management.

Corporate Social Responsibility Scenario in India

Corporate social responsibility has evolved to encompass employees, customers, stakeholders and sustainable development or corporate citizenship. The spectrum of corporate social responsibility includes a number of areas as human rights, safety at work, consumer protection, climate protection and caring for the environment, and sustainable management of natural resources. From the perspective of employees, corporate social responsibility activities include providing health and safety measures, preserving employee rights and discouraging discrimination at workplace. This helps in fostering a healthy environment within the company. For example, after 1945, TATA implemented social welfare provisions for its employees that have since become the legislative norm. From the perspectives of customers,

Corporate Social Responsibility activities may include commitment to product quality, fair pricing policies, and so. India is one of the fastest growing large countries with rising interest in investment from global market. Its emerging market, with a mega population of more than 105 corers people, attracts global investors who want to minimize their risk of depending just on western markets. One of the main objectives of any business activity is making profits, but in the present scenario of competitive world all businesses seem to be heading towards improving the bottom line only while paying lip service to other objectives. Corporate Social Responsibility assumes critical significance in such a scenario. The responsibility starts at the individual level and later reaches a movement stage at the corporate level. One is reminded of the famous words of late John F Kennedy, former US president, who had said “Ask not what your country can do for you, but ask what you can do for the country”. As our economy is growing at a rapid speed, the means becomes as important as the end, if not more. No business should flourish at the cost of the society. Business houses must behave ethically and contribute to the economic development while improving the quality of life of the employees and that of the society at large. Different options exists on this topic ranging from “Corporate Social Responsibility is Government’s or NGO’s baby and business has nothing to do with it” to “money spent on Corporate Social Responsibility is a theft from the shareholders of the business”, etc., but the fact remains that a business survives only through the service of its employees, who by themselves form an effective part of the society itself. Major corporate have taken it upon themselves to think beyond profits and paying taxes, like the Bill Gates Foundations fight against AIDS, and other companies like TATA, Mahindra & Mahindra, AV Birla Group, taking a socially responsible approach when it mattered the most. It’s time companies started looking at Corporate Social Responsibility more pragmatically and as a separate entity from philanthropy. Experts argue that Corporate Social Responsibility and even philanthropy can be a source of competitive advantage. In a country like India, where 70% of the population resides in rural areas, doing a bit of good to them makes a big business sense as huge volumes and large potential exist there. Mitigating environmental hazards caused due to intense industrial activity is a notable feature of Corporate Social Responsibility. Thus, there is an urgent need to initiate proactive measures in this regard at least not to harm the society.

Indian Policy of Corporate Social Responsibility

The projected new bill by Ministry of Corporate Affairs has notified Section 135 and Schedule-VII of the Companies Act 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from April 1, 2014. The Companies Act 2013 bill was passed by Rajya Sabha in August 2013. This bill was replacing Companies Act, 1956. This is governed Indian business for over 50 years. The new Company’s Act -2013 will come into effect at a future date not yet determined. The Act contains an important clause (Clause 135) that mandates corporate social responsibility regulations for Indian companies. It has many merits for one thing; it simplifies many issues and aims at greater transparency and ease of doing business in India. It

has also introduced class action lawsuits, which will protect small holders, a remarkable move. As per companies act 2013, corporate social responsibility is mandatory 2 % spend for companies with profits over 50 million Rupees (\$816, 000) in the last three years. While this mandatory spend may seem like an excellent move and a great business opportunity, especially for smaller consultancies and reveals that which is simply not true. Only companies of a certain size are included in Clause 135. The rules define the companies affected as those having net worth of Rs 500 crore or more; or annual turnover of Rs 1000 crore or more; or annual net profit of Rs 5 crore or more (net profit before tax, not include profits arising from branches outside India).

Major directives to companies

- To “corporate social responsibility Committee”, made up of three or more Directors, one of whom must be an independent director.
- To assign at least 2% of net profits to implementing corporate social responsibility activities.
- To create a “Corporate Social Responsibility Policy” that details which activities will be undertaken by the company, and what budget will be spent on them. This should be published on the company’s website.
- To the end of every year, the details of all corporate social responsibility initiatives undertaken by the company must be reported in the Directors’ and Report on the company website.

Literature Review

India is a developing economy. The Corporate Social Responsibility is seen as part of corporate philanthropy in which corporations augment for social development to support the initiatives of the government. However with time, the scenario of Corporate Social Responsibility has changed from being philanthropic to being socially responsible to multi stake holders. The period of 1960s and 1970s saw an emergence of Corporate Social Responsibility activities being inbuilt in corporate philanthropy (Mohan, 2001) ^[1]. With respect to studies with a global focus, some analyze the origin of corporate social responsibility business practices in relation to the impacts of the Trans nationalization of business activities during recent decades. Zadek *et al.* (2001) point out that corporate social responsibility can best be understood as a consequence of global business activities, due to which business will have to take greater account of its impacts on society. (Theaker, 2001) ^[7] Corporate Social Responsibility in very simple terms is the responsibility that firms have towards society.

Carroll (2004) ^[6] later on transformed the pyramid into a Venn diagram. In the Venn diagram, there were two advantages. The first advantage is that it is not hierarchical in nature. This takes into account the fact that any of the parameters can be chosen first for executing Corporate Social Responsibility. The second advantage is that in the Venn diagram, there are overlapping areas. This is of great importance as there are scholars who have stated that Corporate Social Responsibility cannot be polarized into one dimension or the other. However, a combination of two or more dimensions is required. Even the eleventh five year plan of “Indian environmental regulatory reform” suggested the norms of ethical responsibility of not harming the

environment and philanthropic responsibility by doing something to restore environmental balance.

Research Objectives

From the literature review carried out, the research objectives were framed as follows:

- To understand the innovative activities under corporate social responsibility by Tata Steel.
- To study the societal orientation programs by Tata Steel.
- To make for accelerating corporate social responsibility initiatives in health, education and environment.

Research Methodology

The methodology is adopted secondary data in the Tata steel, 108th Annual Report 2014-15. There has been discus on topic Corporate Social Responsibility practices on Health, Education and Environment in India (with reference to Tata Steel). The present study is based on inputs from Tata steel large scale organizations basically covering manufacturing Sector. The detailed study of Corporate Social Responsibility Initiatives by the firm has been taken and then scores compiled for all three sector to indices for Health, Education and Environment areas are analyzed separately.

The study is based on secondary data that has been collected from different sources such as official websites of department Corporate Affair minister, annual reports of the Economic census and Economic survey of India Report 2014-15, magazines, journals, documents and other published documents.

Health

In the primary health care domain, organizing health camps to offer curative services and raising awareness on health issues is the most common activity being implemented and treated as number of 485,384 Patients in the financial year 2014-15, 419,000 Patients in the financial year 2013-14 and 372,000 Patients in the financial year 2012-13 by the companies included in the research.

Adolescent Health: Project RISHTA on adolescent health with more than 47,000 adolescents covered.

Newborn Health: Project MANSI for maternal and newborn survival also recognized as one of the best healthcare practices in the world.

The infrastructure and equipment support includes medical equipment and ambulances to hospitals and health centers as well as renovation of hospital buildings and construction of new health centers. Water and sanitation and maternal and child health are other chosen areas of intervention in the health domain.

Primary Healthcare

S. No	Years	No. of Patients treated
1	2012-13	372,000
2	2013-14	419,000
3	2014-15	485,384

Source:-Tata steel, 108th Annual Report 2014-2015

There are organizing health camps to offer curative services and raising awareness on eye care issues is the most common

activity being Cataract Operation and treatments as number of 6,198 Patients in the financial year 2014-15, financial year 2013-14 at 5,230 Patients and 2,890 Patients in 2012-13 by the companies.

Eye Care Services

S. No	Years	Cataract Operation (Nos.)
1	2012-13	2,890
2	2013-14	5,230
3	2014-15	6,198

Source:-Tata steel, 108th Annual Report 2014-2015

Community Welfare: This variable is used to measure the activities performed by the company for welfare of the community. As per as contributed in this Corporate Social Responsibility activity.

Some of the common activities in this field are as:

- Donations to orphanages.
- Free food distribution to the poor patients of government health care centers.
- Health awareness programs.
- Free health checkups.
- Campaigns against usage of drugs, alcohol and smoking.
- Construction of toilets, community halls and dispensaries.
- Helping disabled persons by donating artificial limbs/calipers/wheelchairs etc.
- Providing free medical facilities to the poor people.
- Community welfare through helping NGOs.
- Blood donation camps.
- Donations for disaster relief and accident victims.

Education

This variable is used to measure the contribution of Tata steel in the field of education. In India Rao (1964) and the Education Commission (1966) emphasized the links between education and development. Fields (1980) and Tilak (1978) explained that education and poverty are inversely related: the higher the level of education of the population, the lower would be the proportion of poor people in the total population, as education imparts knowledge and skills that are associated with higher wages. The major activities carried out by the banks in the field of education are as follows:

- 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.

Adult Literate

S. No	Years	Adult Literacy (Nos.)
1	2012-13	13,570
2	2013-14	16,824
3	2014-15	15,612

Source:-Tata steel, 108th Annual Report 2014-2015

Our emphasis on strengthening education for rural and economically backward communities positively impacts students as well as illiterate women.

Schools Project: To improve quality of education in 1,000 Government schools in Odisha over five years.

Skilling Youth: Over 3,500 youth underwent skill development programs in various industrial trades, health sector skills and hospitality training.

Youth Empowerment: Grassroots level tournaments and leadership camps for youth.

Education: An adult literacy program with over 15,000 adults made functionally literate and empowerment.

Mid-Day meal: The 49,000 students in 383 Government schools were covered under the mid-day meal scheme.

Scholarship for SC/ST

There are economic backward classes of student to provide Scholarships as Jyoti Fellowship awarded to meritorious SC/ST students.

S. No	Years	Candidates (Nos.)
1	2012-13	2,477
2	2013-14	3,169
3	2014-15	3,460

Source:-Tata steel, 108th Annual Report 2014-2015

Pre-matric Coaching

S. No	Years	Coaching (Nos.)
1	2012-13	5,006
2	2013-14	10,372
3	2014-15	13,403

Source:-Tata steel, 108th Annual Report 2014-2015

According to above table for education sector numbers of SC/ST Scholarship candidate and pre-matric coaching increase in to every financial year.

Environment

This is variable includes all the activities carried out by the firm and corporate for the purpose of environment protection or to reduce the environmental harm by adopting different initiatives, replacing traditional activities by eco-friendly processes or activities in day to day business. Adenekan (2007), Joyner and Payne (2002), concluded that a growing number of companies in many sectors and geographic regions have discovered concrete value and competitive advantage from socially responsible practices in pollution prevention, energy efficiency, environmentally oriented design, supply chain management, and health and sustainable agriculture initiatives, among others. For these firms, Corporate Social Responsibility has positive impact on profits.

The major activities performed by banks in this field are as follows:

- No credit to businesses involved in Ozone depletion, human rights violation, controversial weapons, gambling or pornography activities.
- Awareness programs to avoiding the usage of plastic bags & reduced use of paper in offices.
- To save energy and Promoting solar energy projects.
- Encouraging, financing and setting up of non-conventional energy generation units.
- Assistance for rain water harvesting tanks.
- Wild animal protection projects.
- Tree plantation drives.
- To promote Projects related as reduction of carbon emissions.

Corporate Social Responsibility initiatives aimed toward the betterment of the environment include green initiatives such as tree plantation drives to promote afforestation, efforts to conserve water, energy and manage dispose of waste responsibly. Green initiatives garner the initiatives to improve the environment and taking measures to conserve water.

Water Consumption

S. No	Years	Sp. Water Consumption (m ³ /tcs)
1	2012-13	5.92
2	2013-14	5.57
3	2014-15	5.54

Source:-Tata steel, 108th Annual Report 2014-2015

CO₂ Emission

S. No	Years	CO ₂ Emission Intensity (tCO ₂ /tcs)
1	2012-13	2.53
2	2013-14	2.43
3	2014-15	2.42

Source:-Tata steel, 108th Annual Report 2014-2015

Energy

The renewable Energy as under solar street light project, over 1,400 solar street lights were installed in villages of Jharkhand and Odisha.

S. No	Years	Energy intensity (Gcal/tcs)
1	2012-13	6.083
2	2013-14	6.017
3	2014-15	6.012

Source:-Tata steel, 108th Annual Report 2014-2015

Corporate social responsibility Major Focus Areas

Tata Steel's Indian operations to key operating arms ensure the implementation of its corporate social responsibility vision. These are as:

- Tata Steel Rural Development Society (TSRDS)
- Tata Steel Family Initiative Foundation (TSFIF)
- Tribal Cultural Society (TCS)
- Tata Steel Skill Development Society (TSSDS)

It above all activity is promotion and development for areas of healthcare, education, and environment.

Conclusion

The concept of corporate social Responsibility can't be ignored by the corporate and industries. It's keeping in mind the changing market Scenario the corporate have to change their work culture as per the market demands. Profit sharing is the main agenda of the corporate houses. Those days have gone when basic business of business is to earn profits only.

In conclusion, the findings of this study provide insights into an area of growing concern of corporate towards society. Firms have been doing great effort for the achievement of business goals and marring the business goals with social Responsibility practices. As per the changing market demands need of the hour is for the development of corporate social Responsibility framework that has been imposed by the government. Tata Steel promote development in areas of healthcare, education, environment and culture. In Tata Steel's Indian operations, key operating arms ensure the implementations of its corporate social Responsibility vision are as TSRDS, TSFIF, TCS and TSSDS. So, we can contribute to make better planet to live in.

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