

The corporate social responsibility in tata motors marketing essay



Initiating from the era of barter arrangements to modern day period of plastic money, the humanity has paced an outstandingly tenacious course. Beyond any doubt “ prosperity and success” has remained the tempting element and an underside behind all this growth; but as every coin has two aspects; developing cut throat contention and business concern competitions initiated acquiring accented cost on the quality, transparency, surroundings and the fellowship, in general, jeopardizing the law-abiding co-existence of business enterprises and communities. The business enterprises began recognizing that they would have to develop over and above the prosperity benchmark and take care of all those affiliated with their endurance in the community directly or indirectly. This recognition ensued into the conception of Corporate Social Responsibility (CSR).

“ Giving back to society” is the buzz word for the Tata’s. Issues on corporate social responsibility, environmental and biodiversity restoration are volunteered by the nodal agency of Tata Group named as Tata Council. Around 10, 400 volunteers across the nation are contributing towards the noble cause of social development. Tata Motors had contributed a valuable amount of effort towards community and economic development at Jamshedpur, Pune and Lucknow.

The various community developmental programs like Gram Vikas Kendra, Siksha Prasar Kendra, and Jan Parivar Kanyan Sansthan are remarkable and the economic developmental schemes under Tata Motors Grihini Udyog, Industrial Co-operatives have achieved a level of success. Tata Motors received the award of “ The Golden Peacock” in year 2004 for company’s

significant contribution towards social and sustainable development of the community.

A subsidiary of Tata Group, Tata Chemicals has its production sites (provided the nature of the business) in the rural areas of the country. In an attempt to bring well fare for the societies enduring in the suburbs of its production sites, the company had brought forward the idea of Tata Chemical's Society for Rural Development (TCSRSD). Similarly, in order to cater to the technological prospects for working out India's problems related to societal and economic factors and for raising productivity of farming segment and improving the condition of farmers living in the rural areas, Tata Group initiated Tata Kisan Kendra (TKK) plan. Complete solutions related to agricultural issues and advancements were provided to farmers by catering them with advanced technology, such as satellite mapping and geographical information system (GIS) with the help of Tata Kisan Sansar in agriculture by choosing and using proper seeds from seeding to the stage after harvesting.

Tata Kisan Kendra plans provided farmers with seeds, pesticides and fertilizers at discounted rates and provide them with the options of leasing land and farming instruments. A wide range of services and assistance extended by the TKKs plans, some of them are providing farmers with the opportunity of getting agricultural loans, securing crops from possible natural threats and calamities, and even helping of redemption installations. Figure 1 depicts the list of services offerings by Tata Kisan Kendra plans.

Figure 1: Service Offering Tata Kisan Kendra

BACKGROUND

Tata group is a global corporate entity for quality and commitment. It is one of the largest Indian conglomerates with over 80 diversified companies. It started long back in 1878, with manufacturing and trading of textiles. Later it ventured successfully into steel, electric manufacturing, power, locomotives, automobiles, banking, insurance, hotels and information technology. The social and economic commitment and developmental activities of Tata is remarkable. Social and community development expenditure by the companies is presented in Figure 2.

Figure 2: Social and community development expenditure by the companies

TATA GROUP GETTING SOCIALLY RESPONSIBLE

TATA MOTORS

Tata Motors is India's leading automobile industry. It had set up a world-class manufacturing unit at the eastern city Jamshedpur, Pune in the West and Lucknow in North. The company's first manufacturing unit was established in 1945 at Jamshedpur and then Pune in 1966 over two geographical regions - Pimpri and Chinchwad. Lucknow was established later in 1991.

The above units manufacture truck, engines (including gear box division), axle, car, medium commercial vehicles (MCV's), light commercial vehicles (LCV's) and Tata Sumo's. A department for Community and Social Welfare was established by Mr. R S Pande (Resident Director - Tata Motors) under the direction of JRD Tata, in 1966. At the beginning, the welfare of

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employees of Tata Motors was the focus of the plan, which includes, living conditions of employees, and their wellness and learning opportunities. Later it spread towards the community as whole by forming Community Development Centers and Bustee samities. Volunteers were taken and trained for 4 months on various aspects such as: wellness and hygiene, purity, cooperation and living in concordance. In 1973, the social activities got a boost when the company signed an Agreement of Resolution between the Executive and the Union of employees regarding commitment towards community development. Today, 364 villages, 9 bustees and ashram are looked after by the company, Government, National and International funding partners. Thus Tata Motors made a remarkable difference in community and economic development over the past decades through its various social organizations which worked in and around the plant and townships. The various activities of Tata Motors are found in and around Jamshedpur, Pune and Lucknow.

At Jamshedpur

Gram Vikas Kendra (GVK) (1978) - GVK looked at socio, economic and environmental development of the village. The society arranged different camps and sessions for developing and grooming in farming techniques of advanced era, pisciculture, afforestation and management of water supply. It promoted self-employment and self-efficiency by activities like sewing, embroidery and many others.

Parivar Kalyan Sansthan (1984) - This sansthan was set up keeping in mind the concept of nuclear, small family. It mainly focused on family planning, family welfare program. It provided training for child and maternal care for <https://assignbuster.com/the-corporate-social-responsibility-in-tata-motors-marketing-essay/>

villagers. It had achieved appreciable result under Saheli and 5 years Child Survival Project during 1999-2003. By their concerted effort, they achieved a reduced growth rate of 1. 8/1000 in Singbhum, Jamshedpur as compared to 2. 4/1000 before that.

Nav Jagrat Manav Samaj (1981) - This society worked hard for the cure and rehabilitation of leprosy patients. It provided employment, medical, social and human support to the patients. The rate of leprosy had decreased to 5. 2/1000 in the last ten years as compared to 22/1000 before that.

Shiksha Prasar Kendra (1980) - It's an organization which provided financial assistance to schools/ institutions, funding for educational infrastructure developmental projects, scholarships and organized rural sports.

Adivasi Affairs (1985) - This has been set up to take care of the Advasi communities.

At Lucknow

There are two registered societies for rural development.

Samaj Vikar Kendra (SVK) - It was set up in 1995, and the activities under it started in 1996-97. The key features of the plan were to provide healthy drinking water and proper infrastructure for that, a plan for plantation of trees on wide scale, plan for assisting entrepreneur farmers, development and grooming of youth and women of the area, leaning facilities for grown-ups, physical activities and ethnic commissions.

Jan Parivar Kalyan Sansthan (JKS) - In order to cater problems related to wellness and sanitation, the plan was introduced in September, 2001. It had given sincere efforts to develop health awareness and training program and organized training camps in the villages.

At Pune

The programs for the development of rural population enduring in Pune, initiated back in 1977. The development programs for Pune comprises of different schemes under the support of Tata Motors, related to the development of economic system, Grihini Udyog, Manufacturing Supportive initiated its movements. They work basically in the areas of soil and water conservation, water management, upgrading educational facilities, development of alternative sources of energy.

The Golden Peacock Award for the year 2004 was bagged by Tata Motors, organized by Centre for Social Responsibility (CSR) for its remarkable achievement in the area of social and community development. The Golden Peacock Award for Corporate Social Responsibility Category is presented in the Figure 3.

Figure 3: Golden Peacock Award for Corporate Social Responsibility Category

TATACHEMICALS

Tata Chemicals was established in 1939. It is the most prominent complex for manufacturing inorganic chemicals in India. It is the largest producer of synthetic soda in the world. It also manufactures urea, phosphatic fertilizers.

Its unit is at Mithapur in Gujarat, Babrala in U. P, and Haldia in W. B. The

most prominent manufacturing site incorporated for inorganic chemicals is located in Gujrat at the town of Mithapur, and the fertilizer manufacturing site at city of Uttar Pradesh in the town of Babrala, which is famous for its standards and means for efficiency of energy and had influenced on wide-ranging areas of preservation of environment, safety and development of societies. Emphasizes on development and growth of societies was rated amongst the best success factor of the company assisted by Tata Kisan Kendras (TKK's) and Tata Kisan Sansar programs of community development. The characteristics of the current network of Tata Kisan Kendras (TKK's) are presented in the Figure 4.

Figure 4: the characteristics of the current network of TKK
Tata Chemicals for Society and Rural development (TCSR)

A society for development of rural areas was established by Tata Chemicals in 1979. Tata Chemicals for Society and Rural development (TCSR) was established mainly for the benefit of rural people around its plant and townships in Okhamandal, Gujrat and Babrala, Uttar Pradesh. This society is meant for participatory community development in and around the plant. Mithapur in Gujarat had developed into a full fledged township with a population of 20, 000. The township had the entire amenities bank, post and telegraph office, broad gauge railway line, a police station, a telephone exchange, market with 219 shops, hospital, cinema halls and six parks and an airstrip. It had constructed a captive co-generation power plant of its own to generate uninterrupted electricity supply to that area. It had family-planning unit with child-immunization centers, mobile vans to cater

healthcare needs of Tatachem employees as well as the people living in the
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42 villages of Okhamandal. Apart from the above medical and community activities it had come up with proper schools and training centers.

Tata Kisan Kendras (TKK's):- Apart from participatory community development, Tata Chemicals have taken a great leap towards rural development. It had looked into crop insurance for the farming community with General Insurance Corporation (GIC). The insurance would be through the Tata Kisan Kendras (TKKs). TKKs had been established by Tata Chemicals to provide agricultural services to the farmers along with Ralli India Ltd. Tata Chemicals are in the business of manufacturing fertilizers whereas Rallis are into seeds and pesticides. With the collaborative effort in the field of crop management, TKKs are helping the farmers to procure high yield variety seeds/ food grains right from sowing to post harvest condition. It covered Uttar Pradesh, Haryana and Punjab. It had planned for 500 centers all over the country, presently working with 316 numbers.

Tata Chemicals had introduced GIS to provide valuable information to the farmers through TKKs. This project had enriched the farmers with the quality and characteristics of soil, meteorological data, evaluation of crop, cropping pattern, hydrological and other climatic condition. It had been used for mapping 72 villages. The company had also come up with Krishak Pariwar concept wherein from each village there would be an opinion maker, representing the village. Thus in this way apart from farming techniques they are also imparting other knowledge regarding family planning, housekeeping and hygiene, education and community development through integration of ideas.

The key practices at the Tata Kisan Kendras are presented in the Figure 5.

Figure 5: Practices at TKK

Tata Kisan Sansar (TKS):- The hard work of Tata Kisan Kendras has contributed a great deal of development to rural areas and farmers living in those areas. On December 26th, 2004 Tata Chemicals launched Tata Kisan Sansar (TKS) through which it would offer prosperous approach to the cutting-edge methods and advanced agricultural conceptions. It would furnish assistance to more than fourteen thousand small towns located in the Northern India apart from the Punjab, Uttar Pradesh and Haryana provinces. It had been already successful in 256 villages.

Kisan Sahyog Pariwars (KSP):- Through Kisan Sahyog Pariwars (KSP), TKS had provided farmers low interest credits to undergo easy access to modern farming concepts. They had formed self-help groups where the company had arranged for trained agronomists⁴ to interact directly with the farmers regarding modern agro practices. The initiative started with 421 Tata Kisan Sansar and hopes to expand through 500 outlets by 2005. Tata Kisan Sansar had also been successful in contract farming in sixty small towns of Punjab and Uttar Pradesh provinces.

Therefore, Tata Kisan Sansar services had added value to the farmer's life and welcomed all the farmers to become an associate of Tata Kisan Pariwar or devote for the services by selection. Key benefits to the farmers are presented in the Figure 6.

Figure 6: Benefits to the Farmers

ENHANCED CORPORATE IMAGE AND PRODUCT PROMOTION

Over the past decades, Tata Motors and Tata Chemicals had grown increasingly socially responsive and received the advantages for business of strategies and patterns of Corporate Social Responsibility. It had returned a favorable affect on the execution of business economic and to the value of stockholder. By implementing CSR strategies and incorporate CSR into company policies, Tata had achieved:

Improved commercial image and imparted value of brand

Client contentment and commitment

Approach to quality business partners

Favorable approach to capital marketplaces

Constituted a effective footing with public agencies and the general public

Public relations prospects

Enhanced fiscal functioning

Expanded productiveness, sales and quality

Expanded power to draw and retain employees

Acquired trust of clients, suppliers, employees, professions, investors, activist administrations and other stakeholders

Tata, in its commercial activities had incorporated CSR in its mission and vision, morals, workplace health and safety, environment, community development, corporate governance. By this the organization had gained corporate image. It had enhanced reputation and associations with stakeholders like clients, investors, governors, suppliers and domestic professions. Tata had acquired societal and environmental openings, enhanced quality, team spirit, development of product, apprehension of present and new markets and rules, more beneficial risk management and conception. Tata had spent considerable resources towards learning, wellness, family planning, environment and development of communities.

Tata Chemicals Ltd was presented the Council for Fair Business Practices' (CFBP) Jamnalal Bajaj Award for most effective production organization (prominent) family of firms. The organization's Vision, Mission and Values, as well as, business plans and actions are in

Perfect conjunction with the objectives of TATA Group of more better life style, and Leadership with confidence. This is continually affirmed and rewarded through the Business Excellence Framework of Tata Group and the Code of Conduct of the company appraisals and confidence studies. The Company's systems are conforming and certified according to ISO 9001, 14001 and OSHAS 18000 Standards.

The industrial units at Mithapur and Babrala have been presented with " Five Star" grading. Continually, advancement prospects by Internal /Third Party appraisals, audits, self functioning rating cycle, and monthly management execution inspections of key performance indicators and Balanced Scorecard

Measures versus the set objectives and targets. Tata had a good formulated interaction policy, calendar and order of business to offer feedback on the position of execution and plan of action. Tata Group had effectively applied ISO 9001 and 14001, Safety, wellness and environment associated problems and interests at the preparation and conception level. Tata motors accomplished the “ Golden Peacock Award” for the year 2004 for Corporate Social Responsibility.

The percept and execution of Corporate Social Responsibility is increasing with passing time having seen the advantages. Creditworthy organizations are abiding by the story of Corporate Social Responsibility these days. The percept of Corporate Social Responsibility execution in India is given in a pie chart. Figure 7.

Figure 7: Perception of CSR Implementation in India

ROAD AHEAD

Tata Chemicals entered Bangladesh market with an investment of more than \$450million, towards setting up a one million ton fertilizer industrial unit, a gas-based power plant, and an incorporated steel factory. Tata Chemicals had renamed its Tata Kisan Kendras (TKK) as Tata Kisan Sansar (TKS). It had 421 TKS located in North India - Uttar Pradesh, Uttaranchal, Punjab and Haryana. 421 Tata Kisan Sansar covers 3.5 million farmers in more than fourteen thousand small towns in rural constituencies which are going for the second stage to be covered in West Bengal and Bihar. The company had planned and achieved Tata Kisan Sansar to 500 by 2005 and 800 by 2008. Tata Kisan Sansar is working on the lines of Krishi Vigyan Kendras (KVKs)

under the supervision of Indian Council of Agricultural Research (ICAR) and the Agri clinics.

The free services delivered to the farmers are assisting the community to grow further and acquire authority. Tata's have started recruiting deserving agri-graduates for these dealerships. It had also offered solution oriented services like agronomics services, contract farming with buyback facilities, establishment of kiosks for price information, setting of several dealership for supply of inputs like seeds, fertilizers, pesticides, agri-implements leading to credit flow, crop insurance etc.

Tata Motors looks forward to playing a larger role towards social and development of communities. Tata Motors, India's largest automobile manufacturers, was also the first company to supply the first batch of CNG buses to the Gujarat State Road Transport Corporation (GSRTC).