

Contradictions between Social Obligations and Corporate Directives: A CSR Study of Tata Steel Limited in India

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Abstract—The Concept of Corporate Social Responsibility (CSR) is generally understood to mean that corporations have some sense of obligations for socioeconomic development of the society (Patil & Sharma 2009). The business can become more competitive once it begins to create and follow guidelines to enforce the concept of corporate obligations within the company and its surrounding community. Now-a day, Corporate Social Responsibility has been globally a hot topic, but various companies are having horrendous records of making it unimportant. This has been a general practice of majority of companies, however the present paper has shown as on how the whole concept of CSR is quite different and it is a corporate imperative. The present paper is based on an empirical study carried out in 9 (nine) locations in Orissa, Jharkhand and Chhattisgarh States where Tata Steel's CSR functions are on in order to critically assess the intangible impacts which have focused social and economic domains like education, training, employment, youth activities and health etc.. Data has been collected through survey methods and case study methods and analyzed with simple percentage method. Based on the findings, we have suggested need based approach, cost effective measures, knowledge management approach and more proactive community participation for execution of CSR projects. Suggestions are also made as on how the present CSR concept has to be just delinked from charity and philanthropy; and needs to be associated with the sustainability. The present study will also show the necessity of need oriented execution of CSR, which may perhaps not be a driving force of new CSR mandate of two percent spending on social development fields.

Keywords—Corporate Social Responsibility, Obligation, Community Service.

I. INTRODUCTION

“YOU must give back to the society many times over what we get from them” Jamsetji Tata
Tata Steel CSR, known for its philanthropic activities and one of the country's most respected houses - the Tata Group - spends Rs 800-1,000 crore a year on corporate social responsibility (CSR). Tata group is one of India's largest business conglomerates, operating globally which has tried to integrate the business opportunities with nation building, which is now considered as a core corporate value. Tata has a much extended corporate governance, a corporate group centre

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(for supervision and advisory), and in every division, an ethic council (for control). One of the most remarkable things is that Tatas spend about 30 % of their net profit to invest in social programs. According to the different perspectives dealt with in the paper, we can analyze whether this extensive social-corporate strategic position is a good initiative for a global conglomerate.

The business perspective evaluates an action in terms of the economic criteria of 'profit' and 'survival'. The business perspective is one that people will mainly expect a company like this to operate as. However Tata has chosen to distinguish itself from many companies and has taken the moral perspective as an important aspect of its strategy. However one may question whether it is the duty of the company to invest in social programs, because shareholders want to maximize profit. Consider Tata as a company that helps a country develop by social and resource spillovers, where western countries have already passed this point and are now pointing at knowledge spillovers to develop further. Community development and our social responsibilities are incorporated into the company's Articles of Association and in the Tata Code of Conduct document that every Tata International employee signs. The company's Vision Statement endorses this role, "Become a proactive, integral and responsible member of our environment and communities."

II. STATEMENT OF THE PROBLEM

“Social impact assessment includes the processes of analyzing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment.” Tata Steel Urban Services has been providing its services since 1958 for the people of Jamshedpur and has initiated a number of development programmes and policy for the local community of Jamshedpur. The company spends millions of rupees for its CSR activities.

The company evaluates its activities by Social Impact Assessment, and collects data of its activities and programmes so as to figure out a new plan or modify the previous development programmes.

III. REVIEW OF LITERATURE

Corporate Social Responsibility in India is arguably the first comprehensive, well-researched book (by Agarwal, 2008) on the subject in the country. The author uses Indian examples, case studies and CSR role models from the Indian industry to explain the gap between Indian business needs and current practices. Practices and researches in economically developed countries have also been used extensively. As the Indian industry begins to enter international markets, it is going to be imperative to integrate CSR with business goals for long-term sustainability and healthy economic, social and environmental impact. The book helps in understanding the meaning of business beyond financial numbers and tries to explain how even CSR can be used as a marketing tool and for business benefits. It dwells comprehensively upon the concept of CSR, from its inception as philanthropy till its journey to a form where now it is mandatory to be sensitive about CSR in businesses. This ready reckoned and guide for senior managers, CEOs, CFOs, HR and taxation officials in Indian and multinational companies, management students and academicians approaches CSR as a critical business need, not a philosophy. (Agrawal, 2008).

The Fortune at The Bottom of The Pyramid by C.K. Prahalad (2004) provides you with these facts, while telling you why what you know about BOP markets is wrong. This book, for a refreshing change, is not about BPO, but BOP, the bottom of the pyramid, the real source of market promise. "Why is it that with all our technology, managerial know-how, and investment capacity, we are unable to make even a minor contribution to the problem of pervasive global poverty and disenfranchisement?" This profound question hits you only to leave you answerless. This is definitely a book which makes you sit up and think from the very beginning. Whether you're a business leader or an antipoverty activist, this book shows you why you can't afford to ignore the "Bottom of the Pyramid" (BOP). University of Michigan Business School professor C.K. Prahalad challenges business's common beliefs about the world's impoverished and introduces readers to the Bottom of the Pyramid (BOP), an untapped market of more than four billion people, many of whom are seen as "poor" in the public eye. This is the market companies should be paying attention to, he says, even more so than the few rarified consumers at the high-profit pinnacle, or even the growing middle markets. In short, Prahalad's vision "is not about philanthropy and corporate social responsibility"; but is centered around the idea that, "If we stop thinking of the poor as victims or as a burden and start recognizing them as resilient and creative entrepreneurs and value-conscious consumers, a whole new world of opportunity will open up." That "simple proposition" begins a controversial new management book that is poised to become essential reading not just for the financial world but also in government offices. (Pralhad, 2004)

The Industrial Revolution, which started in Europe and gradually spread over to the other continents, had a profound impact on almost all aspects of living. It transformed the

agrarian society to an industrial society along with significant changes in the means of production, ownership, and related socio-economic feature. It laid the foundation of the organization for industry, trade and commerce. Use of scientific means of production on a commercial scale to form an organized business and corporate, armed with new technology, the corporate not only diversified but also expanded ongoing business at a phenomenal rate. They took up mobilization of human and financial resources and exploring new marketing of goods emerged as a powerful force all over the world. (Panda, 2008).

IV. CSR FUNCTIONS

Many factors, within general business practices, are altering to ensure that every person benefits from the continued functioning of the company. Previously many businesses have subscribed to practices that may have had negative effects on their stakeholders. This is now changing as the realization has set in, of the true importance of the different stakeholders in any particular business. There are many different manners in which a company can implement corporate social responsibility measures for the benefit of all concerned. The manner in which each different company implements the changes will be dependent on what aspects of the company could be considered as having produced negative effects.

Corporate Social Responsibility can often be confused with corporate charity, but it is a very different thing. Corporate charity can involve the donation of money and the provision of opportunities to members of the community and stakeholders. This is very different to the considerations that a company must abide by, to ensure that their actions fall within the acceptable corporate social responsibility guidelines that have been established. These can include guidelines that relate to the environmental impact that a particular action can have or they can relate to the impact that an action can have on the local community. The guidelines are intended to ensure that any negative effects that an action could possibly have are eliminated or reduced as far as possible.

The concept of corporate social responsibility is intended to provide each business with a far greater ability to create sustainable development. This can help to provide ongoing benefits to the business and its stakeholders, regardless of the size of the business. The business can become more competitive once it begins to create and follow guidelines to enforce the concept of corporate social responsibility within the company and its surrounding community. The greater the sustainability of a business's developments, the more successful it can become. The attraction of corporate social responsibility for many businesses is that it can help to increase sustainability without creating negative effects.

The type of business that implements changes to come in line with accepted corporate social responsibility guidelines will also determine what sort of changes will need to be made. The size of the investment that will be required to ensure that the business conforms to acceptable guidelines will also be

affected by the type of business it is. The resources that are expended for this purpose do need to be viewed as an investment rather than an unnecessary expense since the positive results can more than repay the investment.

The term corporate social responsibility may seem to be one of the current buzz words in business, but the concept is one that has been formulated by many people over many years. The concept is one that is seen as being important for the continued well-being of the vast majority of companies and essential for the community that surrounds them. The importance that is placed on business actions conforming to acceptable corporate social responsibility standards can ensure that these guidelines are treated with the respect that they merit.

Supported and nurtured leadership among self help group and village advocacy group, encouraged multi cropping and irrigation across thousands of acres in over 700 villages, earmarked dedicated resources for social welfare, rural and tribal development and programmes for community development.

Tata Steel Rural Development Society (TSRDS) was established in 1979 as a corporate support civil society organization with the aim of improving the quality of life in villages. It works in five district of Jharkhand. TSRDS focuses primarily on livelihood generation and health services. TSRDS has promoted the formation of PANI PANCHAYAT or Micro water cooperatives, and facilitated the conversion of mono cropping areas into multi cropping areas, in Saraikela district. Other farm related income generation activities include seed exchange programmes, floriculture, pisciculture, poultry, animal husbandry and forestry.

Demographic details

TABLE I

GENDER DISTRIBUTION OF RESPONDENTS IN ALL COMMUNITY CENTERS

Gender	Frequency	Percentage
Male	149	42%
Female	204	58%
Total	393	100

Most of the respondents were women as compared to men, because women participated more actively than men. Community centres provided various curriculum and vocational training for women. Men were also involved in community centers. In the slum areas of Jamshedpur, women are in more vulnerable condition. They come from the deprived sections of the community. It is in these conditions that the role of community centres becomes important. Among its other initiatives for community development, Tata Steel Urban Services works in such areas.

Age distribution of respondents:-

TABLE II
AGE DISTRIBUTION OF RESPONDENTS

Age Group	Frequency	Percentage
Adolescent	68	17%
Adult	133	34%
Productive Age Group	165	42%
Senior Citizen	27	07%
Total	393	100%

This table shows us the age distribution of our respondent. Most of the respondents belong to the productive age group. Lesser respondents belong to the adult category. Lesser numbers are adolescents. Minority go as senior citizens. Youth development programs are worth looking at in getting the work done. While we need to analyze the effect of all age group, our main concern is about the productive age group. Because this particular age group has potential to do some work in development programmes and many of them are already involved. We have also considered the other age groups for impact of community centers.

Occupation Vs Unemployment:

TABLE III
OCCUPATIONAL STATUS OF RESPONDENTS

Occupational Status	Frequency	Percentage
Vocational Training	12	03%
Self Employment	51	13%
Unemployed	264	67%
Employed	47	12%
Retired	16	04%
ESS/SHG/Earning through 03 any other saving scheme	01%	
Total	393	100%

This figure below shows us the occupational status of the respondents. This figure also shows the economic background of the respondents. Most of the respondents are unemployed and lesser numbers own an ongoing self business. A minority are employed in schools, hospitals, corporate, Tata's, etc. Lesser numbers engage in earning their livelihood through saving measures as ESS, joining Self Help Groups, etc. Employment generating projects is the most urgent need even in this present age and time along with Population Control Measures. Basically these community centres serve the unemployed persons. However, other peer groups were benefited by these community centres as well.

Educational status:

TABLE IV
EDUCATIONAL STATUS OF RESPONDENTS

Educational Status	Frequency	Percentage
Graduate	110	27%
Under Matriculation	50	13%
Matriculation Pass	218	54%
I.C.S.C / I.S.C	04	01%
School Dropout	21	05%
Total	393	100%

This figure actually shows us the educational background of the respondents. Most of the respondents are matriculate pass, however lesser numbers are graduated and lesser still, become school drop outs. Therefore, this shows the need for qualitative educational requirements. These community centres are situated in such places where this is required. Most of the people are generally matriculate pass. There is need for intervention of some income generating programmes which will promote the community in better living standard and future security. So we considered those persons as our respondents who are looking for alternative livelihood options. This survey also helps us to understand the educational status of the community.

Assessment of Interest Level:

TABLE V
AWARENESS ABOUT COMMUNITY CENTRES

Options	Frequency	Percentage
Yes	381	97%
No	12	03%
Total	393	100%

Maximum number of the respondents knows about the community centre and its functioning. Only few of them are unaware or ignorant about the service given by the community centre. This is the survey regarding the assessment of the first question of the interview schedule. Community centre has been established with the motive of providing services to all people in the bustee and in the town at very nominal charges. This survey shows that most of the people are aware about the activities which are running by community centres. But still, many people in the slum area have not benefitted from the community centres.

TABLE VI
KNOWLEDGE ABOUT COMMUNITY CENTRES OVER THE YEARS

Years	Frequency	Percentage
1958 - 1988	66	23%
1989 - 2009	227	77%
Total	393	100%

This figure shows us the knowledge of respondents about the community centres over the years. As mentioned earlier that these community centres were established around 1958. Most respondents know about the centre since 10-20 years. This data assesses the fact that how many people actually know about the centre. But we also met many experienced and involved respondents who know of the community centre since ages. It is actually the old people who know about the community centres since last few decades. However, maximum respondents belong to the productive age group and adult age group who know about the community centres since 80-90s. Its figure shows us that most of the respondents know about community centres and their functions.

Programs being conducted

There are a number of classes carried on at the community centers which the stakeholders are aware of. Majority of them knew about the classes conducted such as-embroidery,

stitching, baalvikas, painting, beautician, yuvakdal, mahila samiti, carpentry with masonry, karate, boxing, table tennis, gym and other vocational training and sports respectively.

Appreciation of Benefits Enjoyed

TABLE VII
BENEFITTED RESPONDENTS

Options	Frequency	Percentage
Yes	156	74%
No	56	26%

Most of the respondents here derive benefit from all the twelve community centers in learning skills such as stitching, embroidery, sports, &karate. Community centre provides them time and enough chances to show their performance in the various competitions. On questioning, majority of the respondents replied that they have benefitted by these community centres. The figures also show that the community centres have provided fruitful services.

Prioritization:

TABLE VIII
PRIORITIZATION OF PEOPLE'S NEEDS

Prioritization	Frequency	Percentage
Education	232	61%
Sports	18	05%
Vocational Training	13	03%
Women Empowerment	37	10%
Health Services	54	14%
Awareness Programmes	10	03%
Civic Amenities	17	04%
Total	393	100%

This figure shows the prioritization of their reference areas in terms of development of community. Most of the respondents feel that education should be the first step in enhancing the quality of life. Less number of respondents felt that health services are important. Few of the respondents prefer sports, civic amenities, awareness programmes and vocational training respectively. Education is a more important issue rather than other issues for the respondents. People gave their priority to education and it was far ahead among the rest of them. Hence we come to this conclusion that slums of Jamshedpur need more and more educational programmes and awareness about education.

Sports:

TABLE IX
NECESSITY OF SPORTS

Options	Frequency	Percentage
Yes	377	96%
No	16	04%
Total	393	100%

Most of the respondents said that sports are necessary activities for them. Lesser numbers disagree. Most numbers considered sports to be very essential. Coming across the

different preferences that people have regarding different sports activities, very few people disagreed that sports are not essential. According to many respondents they say that sports are very much important as education is. They said every community centres should promote such type of sports activities. People also participated and were involved in such sports activities. The community centres also make arrangements for the various types of games and gymnasium.

TABLE X
RESPONDENTS' PREFERENCE FOR DIFFERENT SPORTS

Sports	Frequency	Percentage
Cricket	140	36%
Football	83	21%
Basketball	55	14%
Badminton	45	11%
Atheletic	14	03%
Kabaddi	13	03%
Hockey	12	03%
Boxing	10	03%
Handball	8	02%
Khokho	8	02%
Vollyball	3	01%
Tennis	2	01%
Total	393	100%

According to this bar chart, 140 respondents as a majority, stand for cricket. 83 respondents go with football, 55 respondents go with basketball, 45 respondents go with basketball, 14 respondents go with atheletic, 13 respondents go with kabaddi, 12 respondents opted hockey, 10 respondents preferred boxing, 8 respondents go with handball and khokho respectively, 3 and 2 respondents go for vollyball and tennis respectively. As we know, in India, cricket is the most favorite sports of the Indian so many respondents go with cricket. The figure shows that the community centres should promote more and more sports activities which are related to cricket and football.

Vocational Training:

TABLE XI
NECESSITY OF VOCATIONAL TRAINING

Options	Frequency	Percentage
Yes	372	95%
No	19	05%
Total	393	100%

Vocational training has been realized as important by the respondents. Most of the respondents said vocational training is good for them and least respondents said it is not beneficial for them. Vocational training is for the enhancement of skill. It is considered important for self-development and growth. It includes masonry, painting, driving, painting, Jusco ekk mouka, computer classes, and beautician course. Maximum of them preferred computer classes to be their first priority. Many girls were found interested in motor-driving. As mentioned before that most of the people are only matriculate pass and

are looking for alternative livelihood options. The community centres provide the various vocational courses for the community. Few of these courses also provide job option after completion of the vocational training. So many of the community people are involved in such type of training and are benefitted by the community centres.

TABLE XII
PREFERENCE FOR DIFFERENT TYPES OF VOCATIONAL TRAINING

Vocational Training	Frequency	Percentage
Masonry & Carpentry	48	13%
Motor driving	33	09%
Computer Classes	248	70%
News Reading in Electronic Media 27	08%	
Total	393	100%

Most of the respondents long for qualitative computer skill generation programs. Less number of respondents prefer taking up masonry and carpentry. And least number of respondents long for motor driving classes. According to this pie chart below, 70% of the respondents think that computer is necessary for their education and also their career. 13% people go with masonry and carpentry. 9% people go with motor driving and 8% people go with news reading in electronic media. Many people in the slum areas preferred the computer classes as a vocational training. Especially in Jamshedpur there is enough number of job opportunities in computer programming. In general, computer skill is the most essential for these current days and computers programmes is a part of the course curriculum. The respondents preferred masonry and carpentry in second position. After masonry and carpentry, people preferred motor driving. And at last very less number of respondents preferred news reading in electronic media.

TABLE XIII
VOCATIONAL TRAINING BY 'JUSCO EKK MAUKA

Vocational training	Frequency	Percentage
Good Services	72	19%
Beautician Classes	44	11%
I.T.I	176	46%
Hotel Management	56	14%
Automobile	38	10%
Total	393	100%

Jusco also co-ordinates some vocational training programs with the help of community centre. It is called "Jusco ekk mouka". They have also the same objective as the community centres have. They want to provide job oriented vocational training where people of Jamshedpur, especially in the slum areas, get chance to get job after the completion of the vocational training. We took interview for almost 386 respondents. Most of the respondents go with I.T.I., less number of respondents want automobile courses and least number of respondents long for a certified hotel management course. The impact assessment schedule shows 46% people go with I.T.I, 19% people go with good services, 14% people go with hotel management, and 11% people go with beautician

course and 10% people go with automobile course.

Health Issues:

TABLE XIV
IMPORTANCE OF HEALTH

Options	Frequency	Percentage
Yes	393	100%
No	0	0%

This questionnaire dealt with health issues. All the respondents were of the opinion that health issues are important. As people often face health problems, it was heartening to know their level of awareness towards health related issues.

TABLE XV
BENEFICIARIES OF HEALTH FACILITIES

Options	Frequency	Percentage
Yes	110	60%
No	72	40%

This data shows us that many of the people belonging to the slum areas benefitted from the medical facilities provided by the community centres of the Tata Steel. 60% of the respondents benefitted from these medical facilities. There are many medical facilities run by the Tata Steel Urban Services like mobile medical, polio drops, free doctor check-up and service for physically handicapped. There were around 40% of the respondents who have still not benefitted from the services of the community centres. While some of them were not aware of the type of medical services provided, others were not willing to avail these facilities.

Awareness:

TABLE XVI
IMPORTANCE OF AWARENESS FOR COMMUNITY DEVELOPMENT

Options	Frequency	Percentage
Yes	393	100%
No	0	0%

This figure shows that each individual was of the opinion that awareness is necessary for community development. We know that Jamshedpur has a fairly literate population. So they know what is important to mobilize the community. Awareness is an important issue to discuss among the community members.

Awareness is a major issue in the social sector in terms of social development. There is much talk about building of awareness among the people in the community. In Jamshedpur, there are many organizations which help in generating awareness in the community. Tata Steel Urban Services are also taking initiative to generate awareness. They generate awareness in the community through the community centre because these centre are the medium to deliver their services.

These community centers run much awareness build up programmes. They are running programmes about aids, maternal health, polio vaccinations, child health, etc.

The role of education is important in helping to build awareness among the people. Education not only equips

people with the power to analyse their problems but also find their solution.

V.SUGGESTIONS

1. A need based approach should be adopted. Every problem defined by a need is unique, not excluding the one who needs it. Similarly each centre's need is different and requires a unique sensitive and empathetic approach driving a solution. For example, Dhatkidih is very much literate including the female population and its needs differ from that of Kitadih in requiring more of vocational guidance and counseling. On the contrary due to extreme poverty and backwardness, the much awaited requirement of the latter, is educational benefits, free tuitions, more awareness on issues of day to day living, domestic management, earning livelihood and schemes of the government (Sarva Siksha Abhiyan, Mid-day Meals, etc).

2. Role of social workers and community committee members must take an important role creating awareness. For example social workers can be trained in school counseling sessions. This will help in increasing the literacy levels, broadening of thoughts, thereby curbing various stigma and caste discriminating factors such as purdah system, women treated as mere objects etc.

3. Abstract steps should be avoided and concrete measures undertaken should be highlighted to the stakeholders so that their trust and support is felt and utilized for constructive work such as employment generation, resource mobilization, etc. The work done and the services provided can be highlighted by advertisements, giant bill boards, pamphlet distribution, etc.

4. Cost- effective measures laying much emphasis upon human service. Knowledge distributed in how to use the opportunity levels pays off well. For example people attending various vocational training programs can be provided with a vocational guidance and their resumes advertised online by making a website causing advertising of individual skills attained, for Tata's purpose, many a growing small scale industries, complexes, marketing networks, etc. This surely enhances employment growth.

5. Last but not the least, staff at the centre's and the community committee workers should be trained and allowed refreshment camps once in a year for better delivery of services, better monitoring, thus curbing corruption at all degrees. Relaxing levels reduces the frustration and stress levels that might affect the productivity. Now, the trainee would like to cite an example of the 'lower economic groups' attending the masonry with carpenter program, were told of a pay of Rs. 300 preceding the training, by the staff at the centre by word of mouth. The staff members when asked separately said that, they were allowed Rs. 100 to 120 per day. Now the trainee from the Urban Services stated that they should have got it in writing, however there is surely a missing piece of information that affects the delivery of a 'Qualitative Service'.

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