

Corporate Social Responsibility (CSR) - A Case Study on Contribution of Tata Group in 26/11 Mumbai Terrorist Attack

Mr. Mahesh C. Pednekar: Research Scholar, JJT University, Rajasthan

Dr. Nishikant Jha: Associate Prof., Thakur College of Science & Commerce, & Research
Supervisor, JJT University

Abstract:

The Tata group has aggressively pursuing several corporate social responsibility (CSR) initiatives in India. The case describes the vision and mission of Tata group which places importance on CSR. It then examines how the group's vision is translated into action through the contribution in 26/11 attack on Taj Hotel, Mumbai.

This case focuses on issues like, how the Tata group had gone about integrating various CSR initiatives across the terrorism. It had been adopting various measures for rebuilding the strength of its employees as well as the people rehabilitant near Taj Hotel. Finally, the case examines how The Tata Group is integrating CSR with its business processes in the organization's journey toward business excellence because the Taj Hotel again flourished in 21 days, which also offered relief to various stake holders.

Objectives:

We have undertaken this study to understand the importance of CSR in not just nation building but as a strategy to successfully build up a business. We shall try to understand how the Tata group under the leadership of Ratan Tata has successfully carried forward the vision of his forbearers and used it to further develop the business of the Tata Group in spite of having such a big terrorist attack on Taj.

Introduction:

The Tata Group is also unique in that nearly two thirds of the equity of the parent firm, Tata Sons Ltd., is held by philanthropic trusts endowed by Sir Dorabji Tata and Sir Ratan Tata, sons of Jamsetji Tata, who founded the family business in the 1860s. These multipurpose trusts, chaired by Ratan N. Tata, include two of the earliest and largest private grant making organizations in India. Through these trusts, Tata Sons gives away on average between 8 to 14 percent of its net profit every year.

Variorum, Multi- Disciplinary e-Research Journal
Vol.-01, Issue-IV, May 2011

As Chairman of Tata Group, India's largest and most diversified industrial house, Ratan N. Tata presides over a sweeping business and philanthropic landscape. The Tata Group operates more than 80 companies ranging from software and automobiles to steel, consumer goods and telecommunications. With 200,000 employees across India, it is the nation's largest private employer.

A pioneer in several areas, the Tata group has consistently followed the path of innovation, growth and development. Tata is credited with pioneering India's steel industry, civil aviation and starting the country's first power plant. Tata was the market leader in several diverse fields - it had the world's largest integrated tea operation, was Asia's largest software exporter, and is the world's sixth largest manufacturer of watches (Titan).

Tata Group and CSR:

In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence."

- Jamsetji N. Tata, Founder, Tata Group.

"No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people."

- JRD Tata

From its inception, the Tata group has taken up a number of initiatives for the development of society. A unique feature of the group is that 63 percent of the equity capital of the parent firm - Tata Sons Limited - is held by Tata trusts, which are philanthropic in nature. According to a statement on the Tata group's website (www.tata.com), "The wealth gathered by Jamsetji Tata and his sons in half a century of industrial pioneering formed but a minute fraction of the amount by which they enriched the nation.

Jamshed Irani, Director, Tata Sons Ltd, says, "The Tata credo is that 'give back to the people what you have earned from them'. So from the very inception, Jamshetji Tata and his family have been following this principle." Moreover "he says that for any business to sustain in the long run they have to look beyond business.

Different Tata companies have been actively involved in various social works. Like Tata Consultancy Services runs an adult literacy programme, Titan has employed 169 disabled people in blue collar workforce at Hosur, Telco is fighting against Leprosy at Jamshedpur, Tata Chemicals runs a rural development programme at Okhamandal and Babrala, Tata Tea's

Variorum, Multi- Disciplinary e-Research Journal
Vol.-01, Issue-IV, May 2011

education programme and Tata Relief Committee (TRC) which works to provide relief at disaster affected areas.

The group's policy is to provide livelihood instead of giving money. "How long can you give rice and dal? What is required is the means to live. And that is what the company does. During natural calamities there are two phases of assistance — relief measures and rehabilitation programme. After the Gujarat earthquake the group built 200 schools in two years and they rendered help during the Orissa floods when people lost cattle. Even after the Tsunami disaster members of TRC immediately reached the places and figured out what is required.

And how can we forget the black night of 26/11, Multiple sites in the Indian city of Mumbai were attacked with bombs and gunfire in a coordinated terror attack that began on November 26, 2008, and lasted for three days. The attacks killed 179 people, including at least 22 foreigners. Over 300 injuries were reported.

Terrorists attacked the Taj Mahal Palace Hotel in downtown Mumbai, India, on the evening of November 26, 2008. At the same time, terrorists attacked the Oberoi Hotel, the Nariman House, home of the Orthodox Jewish group Chabad Lubavitch, a train station, movie theater complex, a hospital and a restaurant. Large groups of hostages were taken inside the Taj Mahal Hotel.

Fighting between commandos and the attackers continued at the Taj until the morning of November 29th, when the government officially declared the terrorist siege on the city at an end. 32 people died in the attack at Taj Mahal. Nine of the gunmen were killed.

Tata Group's Contribution After 26/11 Attack:

A. The Tata Gesture:

1. All category of employees including those who had completed even 1 day as casuals were treated on duty during the time the hotel was closed.
2. Relief and assistance to all those who were injured and killed.
3. The relief and assistance was extended to all those who died at the railway station, surroundings including the "Pav- Bhaji" vendor and the pan shop owners.
4. During the time the hotel was closed, the salaries were sent by money order.
5. A psychiatric cell was established in collaboration with Tata Institute of Social Sciences to counsel those who needed such help.

Variorum, Multi- Disciplinary e-Research Journal
Vol.-01, Issue-IV, May 2011

6. The thoughts and anxieties going on people's mind was constantly tracked and where needed psychological help provided.
7. Employee outreach centers were opened where all help, food, water, sanitation, first aid and counseling was provided. 1600 employees were covered by this facility.
8. Every employee was assigned to one mentor and it was that person's responsibility to act as a "single window" clearance for any help that the person required.
9. Ratan Tata personally visited the families of all the 80 employees who in some manner – either through injury or getting killed – were affected.
10. The dependents of the employees were flown from outside Mumbai to Mumbai and taken care off in terms of ensuring mental assurance and peace. They were all accommodated in Hotel President for 3 weeks.
11. Ratan Tata himself asked the families and dependents – as to what they wanted him to do.
12. In a record time of 20 days, a new trust was created by the Tatas for the purpose of relief of employees.
13. What is unique is that even the other people, the railway employees, the police staff, the pedestrians who had nothing to do with Tatas were covered by compensation. Each one of them was provided subsistence allowance of Rs. 10K per month for all these people for 6 months.
14. A 4 year old granddaughter of a vendor got 4 bullets in her and only one was removed in the Government hospital. She was taken to Bombay hospital and several lacs were spent by the Tatas on her to fully recover her.
15. New hand carts were provided to several vendors who lost their carts.
16. Tata will take responsibility of life education of 46 children of the victims of the terror.
17. This was the most trying period in the life of the organisation. Senior managers including Ratan Tata were visiting funeral to funeral over the 3 days that were most horrible.
18. The settlement for every deceased member ranged from Rs. 36 to 85 lacs [One lakh rupees translates to approx 2200 US \$] in addition to the following benefits:

Variorum, Multi- Disciplinary e-Research Journal
Vol.-01, Issue-IV, May 2011

- a. Full last salary for life for the family and dependents;
- b. Complete responsibility of education of children and dependents – anywhere in the world.
- c. Full Medical facility for the whole family and dependents for rest of their life.
- d. All loans and advances were waived off – irrespective of the amount.
- e. Counselor for life for each person

B. Epilogue:

1. How was such passion created among the employees? How and why did they behave the way they did?
2. The organization is clear that it is not something that someone can take credit for. It is not some training and development that created such behaviour. If someone suggests that – everyone laughs
3. It has to do with the DNA of the organization, with the way Tata culture exists and above all with the situation that prevailed that time. The organization has always been telling that customers and guests are #1 priority
4. The hotel business was started by Jamshedji Tata when he was insulted in one of the British hotels and not allowed to stay there.
5. He created several institutions which later became icons of progress, culture and modernity. IISc is one such institute. He was told by the rulers that time
 that he can acquire land for IISc to the extent he could fence the same. He could afford fencing only 400 acres.
6. When the HR function hesitatingly made a very rich proposal to Ratan – he said – do you think we are doing enough?
7. The whole approach was that the organization would spend several hundred crore in re-building the property – why not spend equally on the employees who gave their life?

Variorum, Multi- Disciplinary e-Research Journal
Vol.-01, Issue-IV, May 2011

Conclusion:

Corporate world should know what Ratan Tata has done for the Society, so that they can adopt the strategy of Ratan Tata towards CSR and can contribute to strengthen the Indian Society. By this way, Tata Group has also increased the trust and morale of its employees. Thus, we have seen in our case that CSR is truly very important in the Indian context; given the state of underdevelopment in vast sections of the Indian Society and the success of the Tata group over the years shows that it is possible to reconcile social objectives with profitability and other corporate need to emulate this strategy and this will surely take India into the league of developed nations.

References:

'Visionaries,' CSR Initiatives of Tata Group, www.indianngos.com, December 2004.

Cover story –November, 2008; Business week

BBC: Mumbai Rocked by Deadly Shootings (November 26, 2008)

IBN Live: Army Storms Taj Hotel (November 26, 2008)

Times of India Headline : 15 bodies found in a single Taj room: Marine commando (November 28,2008)