



Continuous Improvement Guides Social Responsibility

Overview

The Tata Group comprises more than 90 operating companies in seven business sectors: communications and information-

technology, engineering, materials, services, energy, consumer products, and chemicals. The group has operations in more than 80 countries across six continents, its companies export products and services to 85 countries, and its total 2009 revenue was \$67.4 billion. The Tata name has been respected in India for 140 years for its governance values and business ethics. The 2009 annual Reputation Institute survey ranked Tata Group as the 11th most reputable company in the world.

Social Responsibility Challenge

With such an expansive global presence, Tata needed to develop a strategic approach to SR that aligned with its values, demonstrated its commitment to the community, and provided direction from the very top. Because quality and continuous improvement are major factors in Tata's success, it was clear that they needed to be integrated into the approach.

Solutions

The Tata Council for Community Initiatives was created to include CEOs of more than 50 major Tata companies and facilitates. The council worked with the United Nations Development Program to develop the Tata Index for Sustainable Human Development, which measures and improves the community work that Tata enterprises undertake. The index is built around the Tata Business Excellence Model, an open-ended framework that drives business excellence in Tata companies.

"Our contention was that business has a strong focus on process. We talk of efficiency, resource management, or continuous improvement. The second strength of business is delivery of effective outcomes or results. Tata's approach to SR includes both, and goes further to bring about 'impact' in terms of human well-being and enhancing the quality of life," says Anant G. Nadkarni, vice president of group corporate sustainability for the Tata Council for Community Initiatives.

Photos: Tata Group has implemented strategic initiatives to help marginalized and underprivileged people.

Measurement/Results

The Tata Index for Sustainable Human Development prescribes a process to measure and review community development projects so that they perform in a manner that matches their objectives. The corporate SR functions are divided into three areas: systems, people, and programs. Up to 1,000 points are scored in all three categories, so company leaders can annually benchmark an initiative, review its progress, and determine its effectiveness. Additionally, by creating shared value, the company ensures a healthy, educated workforce and sustainable resources in all its locations.

Tata companies have developed several initiatives to help marginalized and underprivileged people. For instance, Tata Global Beverages' large workforce—about 34,000 employees and their families drawn largely from the weaker sections of society—have not only become part of the working community, but now have stock-holdings in the tea gardens. Using such and other indices, it helps to identify and to work on projects that significantly contribute to social, cultural, and environmental development, such as welfare programs that offer free housing, healthcare, and community development facilities; and managing hospitals, an adult literacy center, and childcare centers. One can move toward understanding and measuring impact on human well-being.



Organization: Tata Group

Location: Mumbai, India

Website: www.tata.com

Founded: 1888

Employees: 395,000

Other SR Involvement

Major companies have done sustainability reports to meet GRI requirements, follow the United Nations Global Compact, and SA8000. Their officers represent on the boards of GRI, SAI, AccountAbility, and so on. ISO 26000 at the moment is a possibility for consideration.