**Abstract**

The thought-invoking question that has concerned many a management researcher, over many a year, is to demystify what the business is seeking and for what purpose. At a time, when they were convinced that the main intention of business is to maximize its profits, the concept of Corporate Social Responsibility (CSR) came into conflict. While the debate whether CSR is an investment or an expenditure continued, Kithananan (2010)\(^1\) spoke of Embedded CSR. However, being a new concept, sporadic work has been done in this area in India. This paper, in the form of a Situational Case Study, aims to document the practice of embedding the community engagement model of CSR into the 1146 billion INR turnover (FY 2013-2014) real estate leader, Tata Housing Developmental Company Limited’s business strategy; its operational dynamics and its impact; as well as reflect on the twin-concepts of embedded sustainability and embedded CSR. This study is targeted towards academicians, management students and practitioners in the areas of Corporate Governance, Strategic Management, Business Environment, Business Policy, Business Ethics; social and developmental workers. It is, however, not intended to serve as an endorsement, source of data, or illustration of effective or ineffective management. Certain names and information could have been disguised for confidentiality.

**Key Words:** Corporate Social Responsibility (CSR), embedded CSR, Tata Housing Development Company Limited (THDCL), strategic CSR, community engagement model

**JEL Classification:** D21, H32, L22, L33, M14, P31, Z10

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1. Introduction

Tata Housing Development Company Limited (THDCL) is a closely held Public Limited Company (incorporated in the year 1942), that commenced real estate operations in the year 1984. The Tata Sons Limited, promoter of the major operating Tata companies, commonly referred to as the Tata group holds 99.90 per cent equity share capital of the Company.

The Tata Group, headquartered in India, was founded by Jamsetji Nusserwanji Tata (J.N. Tata) in 1868 and has, since then, grown to become a global enterprise, comprising of over one hundred independent operating companies, in more than one hundred countries across six continents, with a mission ‘to improve the quality of life of the communities they serve globally, through long-term stakeholder value creation based on Leadership with Trust’ (Leadership with Trust, 2015; Mitra, 2015a).

Since its revival in the late 2006, THDCL have established themselves as a "High growth pan India sustainable residential developer" and as one of the fastest growing companies in real estate sector in India. The company has grown its turnover 32 times from INR 360 millions in the Financial Year (FY) 2008 to INR 1146 billion during FY 2014 with a Compound Annual Growth Rate (CAGR) of 37 per cent in last five years (Tata Housing Imprints Sustainability Report 2013-14, 2014). The vision of the company is to ‘build sustainability into everything they do so that their profitable growth helps reduce inequality and rejuvenates the environment (Tata Housing CSR Policy, 2015; Mitra, 2015a).

The Sustainability Vision adopted by the THDCL Board, sets the leadership direction, integrating sustainability into the growth strategy of the Company, thereby consciously embedding sustainability into the organizational functioning. The Board believes in an integrated approach of sustainability across the value chain of the organization and the same is evident in the Corporate Sustainability (CS) Policy that was adopted by it, way back in 2010.

2. Literature Review

Although, Corporate Social Responsibility (CSR) is the phrase generally used by management thinkers and academicians for discussion and research purposes, it goes by many names, when browsed through the websites for the Fortune 500 Companies, that includes corporate citizenship, corporate philanthropy, corporate giving, corporate community involvement, community relations, community affairs, community development, corporate responsibility, global citizenship, corporate societal marketing to name a few (Kotler & Lee, 2005). Other related terms that are often used in the market are Business Ethics, Sustainability or Sustainable development, Business and Governance, Corporate Governance, Business and Society (Trivedi, 2013).
Embedded Sustainability as well as embedded CSR are both key concepts of Strategic CSR, which believes that, CSR should transform and evolve from being a 'goodwill company' concept into becoming a 'business function', a 'strategic management' component of central importance to firm level success (Carroll and Shabana, 2010; KPMG, 2011; Luo and Bhattacharya, 2009) and a vital part of 'firm's strategy' (Bondy, et al., 2012; McWilliams & Siegel, 2011; Noland & Philips, 2010) (Isaksson, 2012).

‘Embedded Sustainability,’ as pointed out by Laszlo & Zhexembayeva (2011) states that three interconnected and interdependent trends – decreasing resources, radical transparency and increasing expectations – are redefining the way business is creating value. It is the incorporation of environmental, health, and social value into the company's core business with no trade-off in price or quality (i.e., with no social or green premium), thereby making the Company stronger.

On the other hand, Embedded CSR is a concept, as put forward by Kitthananan (2010) in a research named ‘Creating Business and Social Value - The Asian way to integrate CSR into Business Strategies,’ that states that “successful corporate responsibility requires an integration of CSR into business’s strategy as well as its in-process operations. Business should be able to deliberately identify, prioritize, and address the social causes that matter most, or at least the ones on which it can make the highest impact to society and business’s future.” This is because, he felt, "when conducted with no clear strategic framework, CSR practice often results in a poor hodgepodge of uncoordinated CSR and philanthropic activities, disconnected from the company’s strategy. It neither makes any meaningful social impact nor strengthens the firm’s long-term competitiveness."

3. Methodology

3.1 Research Questions

This Case Study aims to answer three broad questions:

a) How is the Community engagement model of CSR embedded into the 1146 billion INR turnover (FY 2013-2014) real estate leader, THDCL’s business strategy?

b) What are its operational dynamics?

c) What are its impact?

In addition to answering the above-mentioned questions, the Case Study will also reflect on the twin-concepts of embedded sustainability and embedded CSR.

3.2 Modeling Volatility

In this Case Study, we use Kitthananan’s (2010) 'Framework for embedding CSR into business strategies and practices' to showcase how THDCL’s community engagement model can be fitted into Kitthananan's model (Figure 1). The framework offers guidelines for
embedding CSR into business strategies and practices and is primarily composed of three stages, which, in turn, in further broken down into several sub-stages as follows:

a) Designing:
   i) Preparing for CSR embarkation,
   ii) Conducting CSR assessment,
   iii) Stakeholder engagement,
   iv) Developing a CSR-integrated Strategic plan

b) Executing:
   i) Implementing a CSR-integrated Strategic plan
   ii) Monitoring and Evaluating CSR plan

c) Mainstreaming:
   i) Institutionalizing CSR

Communicating CSR commitments and performance is embedded within the last two stages, viz., Executing and Mainstreaming of CSR.

3.3 Data

This Case study has been constructed, using the Tata Housing Imprints - Sustainability Report: 2013-14, as well as data and reports derived from the Company's internal sources, through multiple interviews with the General Manager, Corporate Sustainability.
Figure 1. Framework for embedding CSR into business strategies and practices

Source: Kitthananan, 2010
4. Results and Discussion

The discussion will take us through understanding the various parameters of THDCL’s social commitments and understanding how it fits into Kitthananan's (2010) ‘Framework for embedding CSR into business strategies and practices.’

4.1 Designing

4.1.1 Preparing for CSR Embarkation

4.1.1a Raising CSR Awareness within the Company

The elements of sustainability is ingrained in the vision, strategic direction and drive of the leadership at the THDCL. The Senior Leadership Team (Management Review Committee members and Functional heads) takes a lead role in driving the organization through the nine step Leadership System, namely, obtain feedback from stakeholders on company's vision and mission; set direction; communicate directions to stakeholders; plan and align; execute plans; drive high performance; develop people; enhance capability of processes and assess; and learn and innovate to set the direction; to communicate and align the entire organization to achieve the THDCL’s sustainability vision and goals.

4.1.1b Assembling a CSR Team

At THDCL, the CSR leadership rests at the different management levels, namely, the Board of Directors, Audit Committee, Committee of Directors and the CSR Committee of the Board, each having specialized role to provide the highest standard of integrity and transparency. The CSR Committee formulates and recommends to the Board, a CSR policy, recommend the amount of expenditure and monitor the CSR Policy of the Company from time to time (Mitra, 2015a).

Figure 2: CSR Leadership Model at THDCL

Source: Adapted from the Tata Housing Imprints - Sustainability Report: 2013-14, 2014 (Mitra, 2015a)
The process is supported by an Ethics structure headed by the Managing Director (MD) & Chief Executive Officer (CEO) and the Head Human Resource (HR) as the Ethics Councilors (Figure 2). CSR awareness, thus comes from top-down in the sense of top executive awareness influences on the CSR integration into corporate strategy and implementation (Kitthananan, 2010).

4.1.2 Conducting CSR Assessment

4.1.2a Understanding Corporate Norms and Values

Tata Group, the parent Company, follows a high standard of ethos and vision that is based on the principle of “the company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders and the local community” (Sundar, 2013). In keeping with this culture of ethos, THDCL gives importance to serve the people at the bottom of the pyramid. It recognizes that its responsibility as a good corporate citizen is to help strengthen the communities in which it operates.

Infact, the CSR Policy of THDCL in the Sustainability Report 2013-14, comes with the commitment of its MD and CEO, Mr. Brotin Banerjee:

"The Company believes that the primary purpose of business is to improve the quality of life of people in the community it serves. Our triple-bottom-line (social, economic and environmental) perspective to business places people, planet and profit at the core of our business strategy. We believe in integrating our corporate values and business needs to meet the expectations of our customers, employees, partners, investors, communities and public at large.

In this regard, the Company will volunteer its resources to the extent it can reasonably afford, but not less than the regulatory requirements, so as to sustain the environment and to improve the quality of life of the people of the communities in which it operates."

Thus, at THDCL, CSR is not only a key policy of the Company, but also, integrated among its other policies, where the sustainability elements of social, economical and environmental dimensions and ethical business practices are clearly marked (Mitra, 2015a), like that of the CSR Policy, Affirmative Action Policy, Climate Change Policy, Quality Policy, Employee Volunteering Policy, Environment, Health and Safety Policy, Information Security Policy, Gift Policy, Whistle Blower Policy, Tata Code of Conduct, Policy on Prevention of Sexual Harassment, United Nations Declaration on Global Compact, Supply Chain Diversity Policy, Sustainability Charter, to name a few.

4.1.2b Auditing Current CSR-Related Norms, Standards, Initiatives and Practices

The leadership of the organization is committed to the highest standard of integrity and transparency at all levels of management. The organization is a signatory to various declarations such as United Nations Global Compact, CII Code on Affirmative Action etc. The organization enjoys strong confidence from investment bankers for its sustainable
growth. This can be seen from “AA” credit rating by international agencies such as ICRA and CARE consecutively for three years in 2011-12, 2012-13 and 2013-14.

Moreover, the Real Estate industry is highly regulated in India through licensing regime by authorities at local, state and central level. Hence, THDCL’s regulatory environment is governed by four levels:

a) Local Bodies (Gram Panchayats, ZillaParishads, Corporations, etc.) for licenses and permissions,

b) State level policies for resources like water, energy.

c) Statutorily applicable laws to run their business in the form of Central and State Acts and Laws. The company has well defined process to ensure the legal compliance at all levels.

4.1.3. Stakeholder Engagement

4.1.3a Identifying Stakeholders and their Concerns

Some business and management-related papers usually outline customers, employees, suppliers, competitors and government as the main stakeholders of business. But when the discussion is around the concept of CSR, competitors tend to drop out of this list and/or are replaced by the community (Ayupov & Komilova, 2013).

Infact, Companies view community needs as opportunities to develop ideas, serve new markets, and solve long-standing business problems (Kanter, 2003, Mitra, 2015a). Hence, investment in the well-being of the community is in the long-term interest of the business (Jumani, 2010, Mitra, 2015a).

Infact, the Business Roundtable, the United States (U.S) association of CEOs of leading corporations (reportedly with a combined workforce of 10 million employees in the U.S alone, and aggregating some US43.5 trillion in revenues), in its 2005 document, stated that "[A] corporation should be a good citizen and contribute to the communities in which it operates, by making charitable contributions and by encouraging its directors, managers and employees to form relationships with those communities" (Balasubramanian, 2010, Mitra, 2015a).

THDCL understands and respects this. By community, they refer to the key community in the geographical spread within ten kilometers of radius from their project sites. This community is mapped and prioritized scientifically through external agencies such as Partners in Change, Tata Institute of Social Sciences (TISS), Narsee Monji Institute of Management Studies (NIMMS) etc (Mitra, 2015a).

They care for their communities and spend more than 3 % of its net profit on CSR initiatives annually. It has a very structured approach with stakeholder mapping and community need assessment done at each project locations for prioritizing CSR interventions.
4.1.3b Planning for the Engagement Process

The broad CSR interventions are determined/prioritized based upon the community need as explained in the 'CSR planning and implementation' as given below (Figure 3) (Mitra, 2015a):

**Figure 3: CSR Planning and Implementation by THDCL**

Source: Tata Housing Imprints - Sustainability Report: 2013-14, 2014 (Mitra, 2015a)

4.1.3c Exercising the Engagement Process

At the micro level, the Integrated Community Engagement Practice is an approach of Informing, Consulting, Involving and Collaborating with communities through a five stage process (Figure 4) of Stakeholder Mapping, Community Need Assessment, Engagement & Communication, Community Need Satisfaction Assessment and Impact Assessment/Learning and improvement (Mitra, 2015a).
4.1.3 Developing a CSR-Integrated Strategic Plan

4.1.3a Establishing a Vision and Working Definition for CSR

THDCL’s vision, thus ingrains sustainability into the growth strategy of the Company. It envisages profitable growth of the Company by sustainable means such as fair wage, fair labour practices, optimal use of resources, product responsibility, and responsible supply chain etc; that will generate reasonable profit for the shareholders after addressing the needs of all other stakeholders including communities.

THDCL, thus aims to build sustainability into everything they do, so that their profitable growth reduces inequality (disequilibrium of all kind including social and economic) and rejuvenates the environment.

4.1.3b Benchmarking with Competitors’ CSR Practices, Norms, Standards, and Practices

THDCL has been placed in high esteem amongst its peers in the Industry and amongst all their relevant stakeholders. This is because of its attitude and vision, that commits its adherence to sustainability principles across the value chain of the organization- a creative corporate culture, ethics and governance beyond compliance, customer centricity, operational excellence in green construction, employee engagement, treating suppliers as partners and shared growth with community and environment, that makes it a vibrant, dynamic and highly efficient sustainable organization in its segment in India. Moreover, it has mapped its value chain, identified the social and environmental dimensions of its competitive context and
leveraged its core-competencies in addressing those elements strategically from a long-term perspective. As a conscious corporate citizen, the Company has adopted triple-bottom-line approach to value creation and continues to pioneer, innovate and engage in co-creating shared value and in strengthening the equilibrium of planet, people and profit.

4.1.3 Crafting the Strategy

A good CSR plan should provide a framework for a coherent business strategy based on the issues that the company and its stakeholders consider material. Thus, a CSR strategic plan becomes a roadmap for the company in moving ahead on CSR initiatives as the plan will set the direction and scope over the long-run with regard to CSR. It also allows a company to be successful using its resources within its unique environment to meet market needs and fulfill stakeholder expectations (Kitthananan, 2010).

Thus, THDCL’s CSR plan of community engagement has its logical base on its unique social challenges that affect its business challenges. In other words, THDCL’s CSR plan deliberately identifies, prioritizes, and addresses the social causes that matter most, or at least the ones on which it can make the highest impact to society and business’s future. This is evident from Table 1.

<table>
<thead>
<tr>
<th>Social &amp; Environmental Challenges</th>
<th>Business Challenges</th>
<th>Strategic Objectives/Social Opportunities (Integration of Business &amp; Social Challenge)</th>
<th>Focused Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid urbanization in city outskirts, resulting in unemployment and social unrest; Lack of quality teaching and inadequate school infrastructure</td>
<td>Lack of household services (salon, drivers, tailors etc.) in new projects; Shortage of skilled &amp; unskilled labor; Social license to operate</td>
<td>Skill training in construction and non-construction trades, helping business &amp; generating employment Providing quality education, there by gaining community confidence</td>
<td>Skill Development (SAMARTH); Educational Development (SRIJAN)</td>
</tr>
<tr>
<td>Under-developed public infrastructure like roads, sewage</td>
<td>Sluggish property appreciation due to in-adequate</td>
<td>Developing infrastructure leading to economic development, community</td>
<td>Community infrastructure development including toilets (SPARSH &amp;</td>
</tr>
</tbody>
</table>

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2 **Scheduled Castes** (SCs) and **Scheduled Tribes** (STs) are official designations given to various groups of historically disadvantaged people in India. The terms are recognized in the Constitution of India and the various groups are designated in one or other of the categories. During the period of British rule in India, they were known as the Depressed Classes. In modern literature, the Scheduled Castes are sometimes referred to as Dalits (Scheduled Castes and Scheduled Tribes, 2015).
Thus, THDCL’s CSR strategy not only makes meaningful social impact, but also, strengthens the firm’s long-term competitiveness.”

4.2. Executing

4.2.1. Implementing a CSR-Integrated Strategic Plan

4.2.1a Building CSR Commitments

THDCL believes that the primary purpose of business is to improve the quality of life of people in the communities in which it operates. It creates sustainable livelihoods and builds communities through social outreach programs in education, employability, entrepreneurship development and also by community infrastructure development with special focus on SC/ST communities-affirmative action.

4.2.1b Identifying a Key Implementation Focal Point and Developing an Integrated Decision-Making Structure

The CEO & MD, Mr. Brotin Banerjee, role models in creating THDCL as a value based organization, driven by triple-bottom line approach. Community welfare is very close to Mr. Banerjee’s heart and he believes in “A Step Ahead of Competition and a Step Closer to Community.”

The rest of the CSR leadership at THDCL rests within the following structure in Table 2 (as mentioned earlier):

Table 2: CSR/ Sustainability Leadership Structure at THDCL

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Company Director</th>
<th>Designation</th>
<th>Category</th>
<th>Member of Board-level Committee/s</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOARD OF DIRECTORS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Mr. Brotin Banerjee</td>
<td>Managing Director</td>
<td>Managing Director</td>
<td>Member</td>
</tr>
<tr>
<td>2.</td>
<td>Mr. Santhanakrishnan Sankaran</td>
<td>Director</td>
<td>Independent Director</td>
<td>Member</td>
</tr>
<tr>
<td>3.</td>
<td>Mr. Sanjay Ubale</td>
<td>Director</td>
<td>Non-Independent Non-Executive Director</td>
<td>Member</td>
</tr>
<tr>
<td>4.</td>
<td>Mr. K. Venkataramanan</td>
<td>Director</td>
<td>Independent Director</td>
<td>Member</td>
</tr>
<tr>
<td>AUDIT COMMITTEE OF THE BOARD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Mr. Brotin Banerjee</td>
<td>Managing Director</td>
<td>Managing Director</td>
<td>Member</td>
</tr>
<tr>
<td>2.</td>
<td>Mr. Santhanakrishnan Sankaran</td>
<td>Director</td>
<td>Independent Director</td>
<td>Chairman</td>
</tr>
<tr>
<td>3.</td>
<td>Mr. Sanjay Ubale</td>
<td>Director</td>
<td>Non-Independent Non-Executive Director</td>
<td>Member</td>
</tr>
<tr>
<td>COMMITTEE OF DIRECTORS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Mr. Brotin Banerjee</td>
<td>Managing</td>
<td>Managing</td>
<td>Member</td>
</tr>
</tbody>
</table>
2. Mr. Santhanakrishnan Sankaran  
   Director  
   Independent Director  
   Chairman

3. Mr. Sanjay Ubale  
   Director  
   Non-Independent Non-Executive Director  
   Member

CSR COMMITTEE OF THE BOARD

1. Mr. Brotin Banerjee  
   Managing Director  
   Managing Director  
   Member

2. Mr. Santhanakrishnan Sankaran  
   Director  
   Independent Director  
   Chairman

3. Mr. K. Venkataraman  
   Director  
   Independent Director  
   Member

Source: Tata Housing Imprints - Sustainability Report: 2013-14, 2014 (Mitra, 2015a)

4.2.1c Preparing A CSR Operational Plan

The Community Engagement model of THDCL started evolving from the year 2011 and have gradually developed to the following (Figure 5), where, it comprises of the 5 broad projects, viz. the TAAP, SAMARTH, SRIJAN, SWACHH, SPARSH; implemented by the Company's formal and informal structure alongwith the project partners at the community; conducted within a radius of 10 kms. from the project area (Mitra. 2015a):

Figure 5: Community Engagement Model of THDCL

THDCL believes in creating strategic partners in their project area to implement their programmes. These partners work under the guidance and supervision of THDCL members to implement the projects and thereby attain the Company's larger vision to impact the

13
community. The above projects are planned in detail and are implemented with the help of project partners, as is evident from the following Table 3:

<table>
<thead>
<tr>
<th>CSR PROJECT</th>
<th>CSR PROJECT PLAN</th>
<th>PARTNERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TATA AFFIRMATIVE ACTION PROGRAMME</td>
<td>- attempts to address the prevailing social inequities in India by encouraging positive discrimination for the SC/ST communities</td>
<td>Non-Governmental Organisations (NGOs) and Institutions such as Entrepreneurship Development Institute of India (EDI), Jay Bharati Foundation, Udyogwardhini, Shikshan Sanstha, NIIT Foundation and Sambhav Foundation etc.</td>
</tr>
<tr>
<td>(TAAP)</td>
<td>- aligned with the framework on affirmative action (AA) prepared by the Confederation of Indian Industry (CII), which focuses on four areas of development: employment, employability, entrepreneurship and education, ie the four Es</td>
<td></td>
</tr>
<tr>
<td>SAMARTH</td>
<td>- provides skill development training to the people other than SC/ST, thereby 'Enhancing employability, Enabling people'.</td>
<td>civil societies/ NGOs like the Pipal Tree, Labournet and Udyogvardhini</td>
</tr>
<tr>
<td></td>
<td>- Most of the people trained are in construction related trades and thereby the company is also nurturing the construction ecosystem with this project.</td>
<td></td>
</tr>
<tr>
<td>SRIJAN</td>
<td>- undertakes several educational development initiatives, thereby 'Enlightening minds, Empowering masses'.</td>
<td>various Schools</td>
</tr>
<tr>
<td></td>
<td>- not only provides Remedial Coaching to students; but also helps in up gradation of school infrastructure of schools in and around project sites.</td>
<td></td>
</tr>
<tr>
<td>SPARSH</td>
<td>- provides community care by taking care of the development in and around project sites in terms of repair, renovation, reconstruction and development of roads, community halls, play grounds etc. and addresses basic survival needs including relief and rehabilitation, addressing developmental disorders among children etc., thereby 'Enriching lives, Expanding avenues.'</td>
<td>Nil</td>
</tr>
<tr>
<td>SWACHH</td>
<td>- aims to create an integrated approach of behavioural change by raising Health and sanitation awareness, construction of clean toilets etc. in the Schools and Neighbourhoods of the project area.</td>
<td>Environmental Sanitation Institute (Ahmadabad), Habitat for Humanity India, and Innovations Unlimited, Gurgaon</td>
</tr>
</tbody>
</table>

Source: Adapted from the Tata Housing Imprints - Sustainability Report: 2013-14, 2014

4.2.1d Mobilising Internal Staff

Employee Volunteering Programme, branded and promoted as SYNERGIZERS, is encouraged and is an integral part of THDCL's Corporate Sustainability initiatives, whereby it encourages its employees to become involved in the communities, lending their voluntary support to programmes that enrich the quality of life and opportunities for all people. The Objectives of the project are to: engage employees in socially useful activities; give them a sense of satisfaction for their social involvement; deliver a unique brand experience to the employees, the great feeling of working for an organization which make them involve and participate in its CSR activities and utilize the skills and competencies of the employees for
social transformation. Infact, 811 employee volunteers (94% of the total employee base) have volunteered around 11 hours of volunteering each during the year 2014-15 (Mitra, 2015a).

Apart from that, THDCL has a three member Sustainability Team, under the General Manager- Sustainability, who work full time on operationalising the Sustainability aspects of the Company. Each of the Projects, additionally has a Corporate Sustainability Champion and also a Climate Change Champion, who might be a functional staff of the Company, but is responsible for the Social Sustainability and Environmental Sustainability respectively in the project site as is evident from Figure 6.

Figure 6: Internal Human Resource Structure of THDCL Committed To CSR/ Sustainability

4.2.2 Monitoring and Evaluating the CSR Plan

4.2.2a Setting up of Measurable Targets and Identifying Performance Measurements

An Annual Strategy is formulated after a detailed SWOT Analysis by the Corporate Sustainability (CS) Task Force Committee, which is then presented to the CSR Committee of the Board for approval, whereby, this plan is presented to the Board of Directors and gets integrated to the Balanced Score Card of the MD & CEO and the Sustainability Balanced Score Card is formed.

Once, this is formed, the targets are broken down and measured every month and also, divided into individual targets for proper assessment.

The CSR committee headed by the MD and CEO reviews the CSR performance on a quarterly basis, whereas the Company's Board reviews the CSR performance on a yearly basis (Mitra, 2015a).
So far, the society’s perception on Social impact of THDCL has also grown over the years from 27 to 27.3 points (Figure 7) and is expected to grow steadily to 28 points by 2015.

Moreover, external auditors, Ernst & Young LLP has been retained by THDCL to provide independent assurance of the triple-bottom line performance of the company.

4.2.2b Verifying Results

A continuous impact assessment is done for all the projects and results verified. The impact of THDCL’s various CSR projects can be observed in the following Table 4:

**Table 4: Social Impact of THDCL’s Social Projects**

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>IMPACT</th>
</tr>
</thead>
</table>
| TAAP    | - Steady growth from 47 SC/ST beneficiaries in FY 2011-12 to 6149 in FY 2013-14.  
- Two high value scholarships of INR 70 thousand each were provided to SC/ST students for higher technical education through Foundation for Academic Excellence and Access.  
- 4000 SC/ST students were benefitted through various educational institutions.  
- A total of 2040 SC/ST youth were provided skill development training in various constructions related and vocational trades during the FY 2013-14.  
- More than half of them have already been gainfully employed/ started their own enterprises with an enhancement in their income level. 49 SC/ST entrepreneurs have done business worth more than INR 182.9 millions with the Company during the FY 2013-14. |
| SAMARTH | - provided skill development training to 10,000 socio-economically backward youth, among whom more than 60 per cent have been gainfully employed and about 214 successful construction related entrepreneurs have been created post training.  
- The Company has plans to train another 500 entrepreneurs by FY 2017-18 and 1,00,000 underprivileged youth by 2024. Considering the issue of skilled labour shortage, the trained youth have considerably helped the business in enhancing productivity while being gainfully employed.  
- has also integrated its skill development training initiative with entrepreneurship development training initiative, thus creating a huge group of entrepreneurs who are not only doing good business but they are supporting the construction ecosystem and the THDCL business too. The Company helps them by providing business under its Supply Chain Diversity Policy (unique to the industry globally) whereby it encourages and gives preference to entrepreneurs from SC/ST communities and other vulnerable communities in doing business with it. |
| SRIJAN  | - has been able to impact from 150 students in 3 schools in FY 2010-11 to 10,000 students in 35 schools in FY 2013-14. |
- Tata Housing National Scholarship for girls is one of its flagship initiatives where Civil Engineering/ Architecture/ Construction students, from families whose income is less than INR 3 hundred thousand per annum are given high value scholarships. Once they get scholarship they will continue to get it for 3 years and post completion of their degree, they are given preference in THDCL's hiring process.
- Each year 20 new scholarships are added. In the FY 2015-16, 20 + 20, i.e 40 scholarships are being given and in the FY 2016-2017, 60 scholarships will be released.

**SPARSH**
- has ramped up from 9 infrastructural development in FY 2011-12 to 28 in FY 2013-14.

**SWACHH**
- created sanitation awareness among thousands of people. Apart from that, cumulatively, till 2015, 450 toilets in three villages near Ahmedabad, (Gujarat), 100 toilets in Patharghata village near Rajarhat (West Bengal), 300 toilets in 4 villages in Gurgaon (Haryana) and 100 toilets in the Village Apte near Kalyan (Maharashtra) have been constructed for socio-economically backward families.

Source: Adapted from the Tata Housing Imprints - Sustainability Report: 2013-14, 2014

### 4.2.2c Evaluating Progress

The Community engagement work of THDCL have seen considerable appreciation in terms of Social Performance Awards, received in various forums over the years. Some of them that has been received in the FY 2013-14 are as follows (Table 5) (Mitra, 2015a):

**Table 5: Social Performance Awards Received By THDCL in FY 2013-14**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Award/ Rating/ Certification</th>
<th>Rating/ of Awarding/ Certifying Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reality King Best CSR Practice Award</td>
<td>Think Media</td>
</tr>
<tr>
<td>2</td>
<td>Reality King CSR Leader of the Year</td>
<td>Think Media</td>
</tr>
<tr>
<td>3</td>
<td>Best Skill Development Initiative of a Corporate</td>
<td>Think Media</td>
</tr>
<tr>
<td>4</td>
<td>Best CSR Practice for Affirmative Action</td>
<td>Think Media</td>
</tr>
<tr>
<td>5</td>
<td>Certificate of Excellence for Exemplary CSR</td>
<td>Think Media</td>
</tr>
<tr>
<td>6</td>
<td>Highly Commendable Project - Myst</td>
<td>Asia-Pacific Property Award</td>
</tr>
</tbody>
</table>

Source: Adapted from the Tata Housing Imprints - Sustainability Report: 2013-14 (Mitra, 2015a)

The Company was conferred CII-ITC Sustainability Award, 2014 in December, 2014 for its Outstanding Accomplishment in Sustainability-the highest award in its category, given for sustainable performance in economic, social and environmental bottom-line, cutting across industries. This award is considered as one of the most sought after recognition for triple bottom line performance in India. The Company was also the recipient of Golden Peacock Award for Sustainability, 2014 handed over at London, by Institute of Directors, India.

### 4.2.2d Reporting Performance

Infact, THDCL has adopted the most recent Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, the most widely adopted non-financial reporting framework in the world as per the 'In Accordance’ Core criteria. The report is also aligned to the nine principles of the Ministry of Corporate Affairs' National Voluntary Guidelines on Social, Environmental and Economic responsibilities of business (NVG-SEE), India and the ten principles of United Nations Global Compact (UNGC). This report is externally assured.
by Ernst & Young (India), whose multi-disciplinary team provides independent assurance of
the triple-bottom-line performance of the company.

4.3 Mainstreaming

4.3.1 Institutionalizing CSR Practice

THDCL’s CSR practice is ingrained within the Company ethos and culture, as is evident
from the deep involvement and commitment of the leadership to the highest standard of
integrity and transparency at all levels of management.

The budget of the CSR policy is ingrained within the core projects of the Company at two
levels - one at the corporate level and the other at the projects (construction sites) level. At the
corporate level, 1% of the net profit of the preceding year is earmarked as CSR budget. At
the project level, Rs 6 per square feet of saleable area in case of premium and luxury housing
and Rs 4 per square feet of saleable area in case of affordable and value housing, divided by
the project span in years, is kept aside as annual CSR budget. While the corporate CSR
budget is aligned to profit (shareholder value), the project level CSR budget is to be spent
every year, irrespective of profit or loss (stakeholder value). In this manner, the CSR spend
every year, on an average is more than 3% of the net profit of the Company (Tata Housing
Imprints - Sustainability Report, 2013-14).

4.4 Communicating CSR Commitments and Performance

Information about CSR commitments, activities and performance should be communicated
visibly and frequently to all employees and stakeholders during the execution and
mainstreaming phases (Kitthananan, 2010).

The leadership team communicates and engages with stakeholders to deploy the vision and
values of the Company. THDCL’s CSR commitments are disseminated throughout its
internal stakeholders with the help of the following tools: a) Monthly Meetings; b) Online
Corporate Sustainability Newsletter, whose name has been changed to ‘Synergy’ from
October, 2015; c) Quarterly Newsletter as brought out by the Human Resource Department;
d) Quarterly Town Hall Meeting by the MD & CEO; e) Bi-monthly business excellence
newsletter; f) Quarterly in house magazine called ‘Graffiti’; g) THDCL Intranet; h) Monthly
web-based Corporate Sustainability Champion's Meet; i) Tata Group's newsletter, 'Tata
World'; j) Participatory Rural Appraisal (PRA) meetings; k) THDCL’s Annual Report; l)
THDCL Imprint - Sustainability Report; m) Review Meetings.

Infact, THDCL is the first Indian Real Estate Company to have reported the triple-bottom-
line performance in line with the Global Reporting Initiative (GRI) G4 (2013) Sustainability
Reporting Guidelines (‘In Accordance’ Core criteria). This communication through reporting
helps in communicating THDCL’s sustainability performance and encourages transparency
and accountability.

www.globalbizresearch.org
Apart from the above, the CSR commitment of the Company is also disseminated to the external audience through its website, Facebook, Twitter accounts, Annual Report, CSR Compendium, Sustainability Report to name a few.

In addition to that, the CSR commitments and operations are also communicated through the following mechanisms to the various project segments, through the following mechanisms (Table 6):

Table 6: Some of the Communication Mechanisms to External Audience at THDCL

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Value Segment</th>
<th>Affordable Segment</th>
<th>Premium Segment</th>
<th>Luxury Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATL (Print/Outdoor/Radio/TV)</td>
<td>Regional and Mainlines, targeting Mass audience, focusing on reach and awareness, Local within the catchment area</td>
<td>Mainlines, focusing on Reach and Awareness</td>
<td>Targeting premium readership base to obtain effective reach and Awareness, Premium and large Sites, Non Cluttered locations</td>
<td>Niche publications to build imagery and Awareness, Premier and Silo hoardings with innovations like 3Dimension flex, cutouts, LED’s, Television advertisements</td>
</tr>
<tr>
<td>Public Relations</td>
<td>News about launches and Handover</td>
<td>News about launches and other factors, like awards</td>
<td>News about feel good</td>
<td>News about exclusivity of project and to handle enquiries</td>
</tr>
<tr>
<td>Website</td>
<td>Multi lingual (English, Hindi and regional Language), Focusing on awareness</td>
<td>Simple, light and easy to browse, lower internet bandwidth, emphasis on Text.</td>
<td>Feature rich, Higher Internet Bandwidth, Emphasis on Visuals</td>
<td>Experiential / Engagement led - Simulation</td>
</tr>
<tr>
<td>BTL (Events, Online Display and Google/Google analytics Marketing)</td>
<td>Multi lingual (English, Hindi and regional Language) and targeting specific customers, Reorganize and optimize marketing spend and content as per profile xx</td>
<td>Focusing on Reach and Awareness targeting sites with mass appeal, Reorganize and optimize marketing spend and content as per profile xx</td>
<td>Limited to select sites targeting premium categories, Equal focus on Resident Indian (RI)/ Non-Resident Indian (NRI) markets to spread Awareness</td>
<td>Restricted to select sites targeting niche profiles/ segments, More emphasis on NRI markets with limited focus on RI markets to generate Awareness</td>
</tr>
<tr>
<td>Brochure/Leaflet</td>
<td>Leaflet for mass distribution and creating emotional connect</td>
<td>Creative revolves around “THE FAMILY”, Vibrancy and well being</td>
<td>Creative focuses on Features and Amenities for Aspirational lifestyle</td>
<td>Emphasis is on creating the experience through exclusive imagery that communicates the product for the Elite</td>
</tr>
</tbody>
</table>

Source: Tata Housing Imprints - Sustainability Report: 2013-14, 2014

5. Conclusions and Recommendations

In India, post the legislature on CSR mandate on certain Companies, there has been much furor on CSR spent and the emerging directions of CSR in the Private Sector Companies, can be followed by tracking the ‘three perspectives of change’ in the form of merging ‘individual giving’ with ‘Corporate Giving,’ redefining ‘Corporate Giving,’ enhanced role of Chambers of Commerce (Mitra, 2015b).
This changing regulatory landscape has compelled these corporations into establishing, streamlining, operationalizing and managing a CSR framework that is expected to bring about collective ‘change’ and ‘responsible business’ intervention (Mitra, 2015b). But, a lot of effort is just at the implementation level and have not been able to penetrate to the core of the organization.

The THDCL Case Study is definitely different. It has a strategic framework for its Community engagement CSR design and implementation that consequently helps it in planning and executing its Community engagement CSR practices. This framework, aligned to Kitthananan's (2010) 'Framework for embedding CSR into business strategies and practices', not only aligns THDCL’s Community engagement model with the dynamic demands of the business and social environment, but also supports to meet its stakeholder expectations.

However, this Case Study is only limited to the Community Engagement model of THDCL and does not include the other CSR/ Sustainability models of the same. This, in fact, can be the scope of other research papers and Case Study.

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