

Enhancing Business-Community Relations

TELCO Case Study



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TELCO – Health Volunteers and Education Initiatives

Research Project Background

This case study is one of ten that were chosen as part of the ‘Enhancing Business-Community Relations’ project in India implemented in collaboration with The Energy and Resources Institute (TERI). These cases document examples of engagement between businesses and communities and can be used as learning tools for the promotion of responsible business practice and sustainable development.

The Enhancing Business-Community Relations project is a joint international initiative between United Nations Volunteers (UNV) and the New Academy of Business. Implemented in seven developing countries, the purpose of the initiative was to collect and document information on business-community practices as perceived by all stakeholders, build partnerships with them and promote corporate social responsibility practices. It is also intended to enhance international understanding of business-community relations through information sharing and networking with other countries especially those participating in the project - Brazil, Ghana, India, Nigeria, Philippines, South Africa and Lebanon.

The findings and recommendations reflected in the case study are those of the author and do not necessarily reflect those of UNV, TERI or the New Academy of Business. It is important to note that these cases were written as examples of business-community initiatives. They do not constitute a comprehensive assessment of the company’s social responsibility.

1. Introduction

The following case study describes the initiatives undertaken by Tata Engineering and Locomotive Company, or TELCO. These projects come under the guise of education and healthcare. The latter initiative is of particular interest to this research project as it contains examples of community and employee volunteering, which has proven to be instrumental in raising health standards in remote areas *and* empowering women. Moreover, the work of TELCO, will connect with the Tata Corps of Volunteers, an initiative of the Tata Council of Community Initiatives.³ Both initiatives are discussed and are followed by analysis on the role volunteering can have in improving business-community relations.

2. Company Profile

TELCO is one of India’s largest private sector companies and one of the six largest manufacturers of commercial vehicles in the world. TELCO today has a domestic market share of around 68 per cent in the Medium Commercial Vehicles (MCVs). Exports have also grown and nearly 200,000 vehicles have been exported worldwide to date.

TELCO was established in 1945 when Tata Sons took over the “Singhbhum Shops” from the East India Railways. The company was initially formed to manufacture steam locomotives, but diversified into automobile manufacture in 1954 through collaboration with Daimler-Benz. When the partnership ended in 1969, TELCO had not only become an independent producer of MCVs, but

had developed the capability of designing and developing such vehicles. The plant at Pune was opened in 1965 to better cope with growing demand. The Tata Indica (a passenger car) is today the highest selling car in its sector. Turnover of TELCO in the past year has been about Rs. 8165 crores. 40 per cent of employees in the factory at Pune come from rural backgrounds.

3. Project History and Development

“Corporate Social Responsibility” in TELCO has developed alongside its growth in size, and in many respects follows a different line than some of the other Indian case studies. Although educational projects maintain a broadly philanthropic approach to business-community relations, in the field of healthcare TELCO has consistently advocated the use and training of village-based volunteers. This case study therefore seeks to identify the reasons behind this, and to analyse its effectiveness as a form of enhancing business-community relations.

3.1. Volunteering and Community Participation

The Tata Group has a tradition of pioneering industrialisation, employee welfare and business ethics. TELCO, as part of this family, has promoted Community Initiatives and Rural Development, the basic premise for which is volunteering. Rural development work began in 1978, in a village 35km from the Pune factory. This area is remote and prior to the project lacked basic infrastructure. The project area now covers about 16 villages where activities are carried out with the active participation of the villagers themselves. TELCO does not initiate projects, ensuring the process is “bottom-up” in at least the primary stages.

Most initiatives are in the field of health services, education, soil and water conservation, drinking water facilities and promoting alternate sources of energy. Employees are encouraged to volunteer to train community volunteers. Some employees have come together to form Industrial Co-operative Societies, which aim to generate employment in local communities. This form of involvement allows rural-based employees to be volunteers for their own village improvement schemes. About 235 employees form the group of volunteers known as ‘Yuva Swayamsevak Dal’.

In this work there is an attempt to shift from philanthropic activities towards greater involvement. This move has in part been brought on by the development of the Tata Council of Community Initiatives, which was tasked to evolve a common direction from the diverse activities undertaken across the Group. As Anant G. Nadkarni, general manager of the Tata Group Corporate Social Responsibility suggests:

Earlier, social work within the Tata Group was characterised by philanthropy. That is why we did not want to make TCCI another trust or a society to grant funds. We wanted to make it a network of employees to help build communities. This can be done if you set up networks, not rigid institutions.⁴

Two projects implemented by TELCO Pune, in the field of healthcare and education, are discussed below. Both initiated before the formation of the TCCI initiative, they are somewhat in the process of evolving in line with this new strategic direction. In previous healthcare initiatives, projects have promoted the development of health volunteers to create sustainable health services and health awareness in the project area. Education projects meanwhile have been aimed at building a self-reliant education trust and promoting local community-based volunteers to implement and manage the trust.

3.1.1. Health Volunteers

TELCO, Pune, launched a rural development project in the village of Pimpri Budruk in 1977. Roads were developed to increase accessibility of the mobile dispensary to take care of the health of villagers. The programme was then extended to villages on the other bank of the Bhama river.

A comprehensive health care programme was designed in an attempt to reach the target communities. Constant follow-up and availability of first aid facilities for patients was essential. The motivation of a village volunteer to look after the villagers in the absence of a mobile dispensary was crucial in determining the project’s success. The ‘Village Health Workers’ (VHWs) institution then came into existence in 1982. One enthusiastic but disadvantaged volunteer was selected from each village and trained as a first aid attendant. A special training and health awareness programme was arranged in the company premises in which all topics from hygiene to fatal diseases like TB, leprosy and cancer were discussed in simple language. A continuing health education programme for VHWs has become a regular activity since then.

The female volunteers are provided with first aid kits so they can attend the injured, dispense medicines free of charge and conduct deliveries regularly. They also take care of water purification for their village. Moreover they regularly visit all the houses in the village to raise health awareness and conduct general health surveys. This motivates villagers to adopt preventive measures and family planning. Village health workers arrange group meetings wherein the trained staff of the company discuss critical health issues pertaining to different age and sex groups. Success in the immunization programmes and curative services are largely due to the village health workers.

VHWs motivate villagers to participate in other developmental activities like the construction of drinking water wells, toilets and soakpits, tree plantations and the development of alternate source of fuel. Smoke-free kitchens are now possible as a result of their efforts. Some volunteers also conduct Adult Education Programmes for their fellow villagers. With experience over so many years, these ladies have become confident, knowledgeable and self sufficient. Village health workers have become important people in their own villages without whose presence even a ceremony cannot take place. Moreover, most of the volunteers are women therefore they are also living examples of women’s empowerment.

3.1.2. An Education Trust

Although priority has always been given to providing basic health facilities in the villages, education has remained important to TELCO’s development projects. Initiatives also correspond with the long-standing national objective of universalising education in India.

Meetings are held with villagers each year to discuss new approaches to development. This practice resulted in the establishment of Bhamchadra Shikshan Prasarak Mandali to start the Bhamchandra High School for eight villages. Before the project started, a large number of students, especially girls, were deprived of further education after seventh standard because there was no local high school. The villagers were encouraged consequently to form an Educational Trust to manage finances for the project.

The Bhamchadra Shikshan Prasarak Mandali started the Bhamchandra High School in 1991. For the first two years the high school was housed in a private building at Varale village. It was later that they approached TELCO for additional support. TELCO helped the Trust to construct the school building (of seven school rooms) by equipping the science laboratories and library as well as providing furniture for the classrooms. Prior to asking for TELCO’s help the Trust had existed without any government grant. Some NGOs had given a helping hand to the Educational Trust. This developed a real sense of ownership about the project amongst the villagers. After seven years, the high school started getting a grant in aid from the government.

The Educational Trust comprises a Managing Committee in which all eight villages have appropriate representation. The representatives motivate the parents to send their children to school and minimize the number of school dropouts. Initially as part of educating the villagers, monthly meetings of the Educational Trust were conducted by the Company Officer to address administrative matters. Later it was observed that the training had made them capable of handling all issues pertaining to education themselves. Now the school has turned out to be a centre of educational activities for the adjacent villages. The aim of creating a self-reliant educational institution has come into reality.

‘Tata Engineering has empowered me and my colleagues to successfully manage the Educational Trust. Without Tata Engineering’s support and guidance, the dream of having our own high school would not have been realized. This venture also generated a team of totally devoted volunteers to shoulder the activities.’

**Chairman of Bhamchandra
Shikshan Prasarak Mandali**

4. Key Outcomes and Lessons Learned

TELCO has established a bulletin that helps to keep the volunteers informed on areas such as development, agriculture, education and globalisation. Efforts are made to get recognition for the efforts of volunteers in their own villages and the volunteers are expected to follow a Tata code of conduct in their activities.

TELCO provides an interesting case study in that it has taken steps away from the Indian philanthropic approach to business-community relations. Although donations (for example of school equipment and furniture) still remain important, TELCO’s promotion of volunteerism signifies an important shift in corporate responsibility rhetoric, away from short-term investment to strategic social investment. The establishment of the Tata Council of Community Initiatives in part has enabled this.

How can volunteers create advantages to a company’s business-community relations? More than anything, this case study indicates that a company’s encouragement of volunteering can foster commitment to a project and therefore increase its chances of sustaining into the future. However, the selection, training and motivation of volunteers remain crucial to their success in any project. If a volunteer scheme is to become truly sustainable in its own right, a structure needs to be in place that will allow for different levels of commitment, ongoing training, and recruitment of new volunteers. The healthcare project that TELCO has supported provides examples of all three of these requirements, heralding a development from corporate-led projects to community-led institutions.

Endnotes

¹ The views expressed in this case study are those of the author and do not necessarily reflect those of the New Academy of Business, UNV or TERI.

² Kate Ives is an associate of the New Academy of Business who has assisted in the preparation of this case study.

³ See http://www.tata.com/0_beyond_business/community/

⁴ See http://www.tata.com/0_careers/our_people/20010709__anant_nadkarni1.htm “Philanthropy with a Difference”