

CRISIS MANAGEMENT AND ETHICAL LEADERSHIP AT TATA GROUP OF COMPANIES WITH SPECIAL REFERENCE TO COVID-19

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Abstract:

This research explores crisis management and ethical leadership within the context of Tata Group, a conglomerate operating across diverse industries. Crisis management is defined as a strategic process for identifying and responding to critical situations to ensure the safety and well-being of stakeholders. The study reviews existing literature on crisis management, emphasizing the need for adaptability, quick actions, risk minimization, trust-building, and protection of corporate image.

Focusing on Tata Group's response during the COVID-19 pandemic, the paper highlights the conglomerate's agility, philanthropic efforts, and commitment to corporate social responsibility. The research objectives include discussing Tata's industry profile, relevance of crisis management and sustainability, and strategies employed in crisis situations.

Methodologically, the study relies on secondary sources such as research articles, e-research papers, theses, dissertations, and official Tata Group websites. The paper details Tata's diverse industries and crisis management strategies, encompassing risk assessment, communication planning, adaptability, employee support, financial resilience, supply chain diversification, innovation, and collaboration.

The research also delves into Tata's ethical leadership, exemplified through sustainability initiatives and philanthropy. During the pandemic, Tata demonstrated ethical decision-making by supporting employees, providing medical equipment, and contributing to relief efforts.

Keywords: *Crisis Management, Ethical Leadership, Risk Management, Unforeseen, Covid-19, Stakeholders*

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Introduction:

The term 'crisis' can be understood as a crucial stage or turning point in the course of something. And the concept 'crisis management' is an organization's process and strategy-based approach for identifying and responding to a critical situation. Such critical event can be defined as any threat, unanticipated incident, or negative disruption with the probability to impact an organization's people, property, or business processes.

The primary goal of crisis management is to assure the safety and well-being of employees, customers and other stakeholders. This involves applying emergency response plans, providing timely and accurate information, and taking required actions to alleviate hazards and risks and safeguard individuals from any harm.

At the time of certain unforeseen circumstances in the business, it gets difficult to know how to respond. At such times, one can focus on safeguarding the bottom line and defending company's reputation. To this end, a crisis management plan will equip a corporate with the crucial tools desired to effectively manage any unforeseen events. Crisis management can help in a number of ways, they can be:

- Quick actions
- Minimization of risk
- Builds trust among stakeholder
- Protects corporate image

During the COVID-19 pandemic, the Tata Group implemented strong crisis management strategies to navigate the challenges. The company demonstrated agility by swiftly adapting its operations to the changing circumstances, prioritizing employee safety and well-being. Tata Group actively engaged in philanthropic efforts, contributing significantly to relief funds, healthcare infrastructure, and providing aid to vulnerable communities. The conglomerate utilized its diverse business portfolio to report critical needs, such as manufacturing ventilators, supplying essential medical equipment, and leveraging technology for remote work solutions. Tata Group's crisis management during COVID-19 showcased its commitment to corporate social responsibility and its ability to contribute meaningfully in times of global crisis.

Review of Literature:

Keselman, David & Saxe-Braithwaite, Marcy. (2020) talked about today's climate and environment, the conformist association between caring, economic, and leadership practices may no longer meet the necessities of patients, clinicians, providers, or systems. It is stated that in the current complex and challenging healthcare environment challenged by a multitude of concerns, a shift toward human caring morals and an ethic of realistic healing relationships is required, especially in light of the current COVID-19 pandemic. **Ramachandran, Ramakrishnan. (2020)** states leadership as a positive and key force as Leaders create better organizations, better communities, and a better world. Leadership is required for many reasons and is a never-ending journey. The arrival of Covid-19 has turned the world upside down and exposed the dearth of real leaders. Exemplary leaders during this pandemic were compassionate, courageous, databased, decisive, and kind. Leadership has to change from an individualistic to collective process that requires a paradigm shift of leadership spread across networks of people. By democratizing and by innovating we need to develop collective and responsible leadership. Leaders should be willing and ready to change as the situation demands. **Singh, R., & Tarkar, P. (2023)** aimed to identify ethical leadership's efficacy in HRM and differentiate it from negative HRM leadership. Pandemic and post-pandemic challenges are evident, which can destabilize an organization, so we need to develop a business-ethics perspective on leadership for HRM.

Research Objectives:

1. To discuss the profile of Tata as industry giant and various industries that they operate in.
2. To discuss the relevance of crisis management and sustainability in the context of Tata group of Companies.
3. To know certain strategies of Tata group of companies with respect of sustainability and crisis management.

Methodology: Present study is a deliberate effort of the researcher to understand the area of ethical leadership and crisis management. The data collection for the study is done primarily through secondary sources.

Researcher attempted to refer a number of research articles, e- research papers, thesis and dissertations in order to gain deep understanding about the topic under study. To gather data on Tata group as a leading organization and their crisis management strategies during pandemic, their official websites and some of the articles where mentions of Tata group as a case were referred used to understand the concept and scope of ethical leadership and crisis management in the corporates. Deep evaluation of various articles was done to get relevant conclusions.

TATA GROUP: A PROFILE

History

• Founded in 1868 by Jamsetji Tata, the Tata Group is a multinational conglomerate having headquarters in India. It started as a trading company and has since established into a diversified business empire with paving in sectors such as steel, automobiles, information technology, and hospitality. Tata Group's notable stepping stones include the establishment of Tata Steel in 1907 and the creation of Tata Motors in 1945. Known for its commitment to corporate social responsibility, the group has played a vital role in India's industrial growth. As of today, Tata Group continues to be a global player with a significant impact on various industries.

Vision and Mission

• **Vision:** To be globally significant in each of our chosen businesses by 2025.
• **Mission:** To be the most reliable global network for customers and suppliers, that delivers value through products and services. To be a responsible value creator for all our stakeholders.

Core values

- Integrity
- Responsibility
- Excellence
- Pioneering
- Unity

Diverse industries in which Tata group operates:

<ul style="list-style-type: none"> • Aerospace & Defense • Leather Products & Global Trading • Information Technology • Steel • Electrical & Electronics • Engineering & Construction • Trading & Investments • Legal 	<ul style="list-style-type: none"> • Real estate • Automotive • Consumer & Retail • Tourism & Travel • Financial services • Telecom & Media • Digital
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CRISIS MANAGEMENT AT TATA GROUP

Crisis management at Tata Group:

Some of the pivotal strategies at Tata Group are as listed below:

1. Risk Assessment and Preparedness: Identifying potential risks and having robust contingency plans in place to address various scenarios.
2. Communication Planning: Transparent and timely communication with stakeholders, including employees, customers, investors, and the public, to manage expectations and provide updates on the situation.
3. Adaptability and Flexibility: Being agile and adaptable to changing circumstances, including making quick decisions and adjusting business operations as needed.
4. Employee Support: Prioritizing the well-being of employees through measures such as remote work arrangements, mental health support, and ensuring workplace safety.
5. Financial Resilience: Maintaining financial stability by assessing cash flow, implementing cost-saving measures, and securing necessary funding if required.
6. Supply Chain Diversification: Developing resilient supply chains by diversifying suppliers and ensuring access to critical resources.
7. Innovation and Technology Adoption: Embracing innovative solutions and leveraging technology to address challenges and enhance operational efficiency.
8. Collaboration and Partnerships: Collaborating with industry peers, government bodies, and other stakeholders to share information, resources, and best practices.

Employee Engagement at Tata Group:

In the 1860s, Jamsetji Tata initiated the Cotton revolution in India, establishing the Central India spinning, weaving, and manufacturing company, Empress Mills, in 1877. Despite challenges, he faced a critical issue of low workforce attendance at the Nagpur mill. Unlike typical strategies of Hire & Fire or penalization, Tata introduced innovative solutions, including the Provident Fund Scheme and Medical insurance, fostering a supportive work environment. Family days, Sports days, and ceremonies further strengthened the bond between the company and workers, eliminating attendance issues and enhancing profitability at Empress Mills.

Disaster Management at Tata Power:

Tata Power, as part of its disaster management, maintains N -1 and N -2 supply plans, ensuring uninterrupted power supply even during crises. The company has implemented a rota system for employees, incorporating backups and dry backup teams to address workforce challenges during the pandemic. Amidst new challenges, Tata Power has shifted to virtual handovers, implemented travel provisions adhering to social distancing norms, and equipped hostels for extended stays. The robust business continuity system allows Tata Power to quickly adapt, and their plants continue to operate efficiently, serving customers across various locations. Despite lockdown challenges, Tata Power's workforce remains committed to ensuring the country's energy needs are met.

Risk Management at Tata Group:

Tata Group has a Risk Management Policy and a standardized process for identifying and managing risks. The process considers company objectives, external environment, industry reports, and internal stakeholders. Risks are categorized as strategic, tactical, and operational, and each risk is assigned an owner and champion for mitigation planning. The Risk Management System involves Cluster Risk Management Committees (CRMCs) to monitor risk plans closely. A Risk Mitigation Completion Index (RMCI) is used to assess the completion level of mitigation actions, with strategies for recovery if the RMCI falls below the target. Tata Power uses a Compliance Management System (CMS) to monitor compliance with laws and regulations, ensuring a comprehensive and integrated reporting structure.

ETHICAL LEADERSHIP AT TATA GROUP

Tata group as sustainable leader:

Reaching stake holders with the products is an important task of any organisation. Unique Identity was created by Tata group was through systematic communication (Vimal deep saxena, 2014) [9]. With the creation of a slogan ‘A Century of Trust’, the leader Ratantata communicated the values of Tata Group including faith, reliability and service to the nation.

The factors contributed in creating a uniqueness of Tata group was the values and creativity. The uniqueness of Tata leaders was also rendering social service to the society. TATA SWACH was the concept created for the clean and safe drinking water at low cost, Tata Memorial Hospital, TIFR, TISS are few steps of Tata group. For Ratan Tata, the leadership quality is coupled with faith, commitment, Justice, responsibility, creativity, global aspiration, quality and real value for money Reaching stake holders with the products is a significant task of any organisation. Unique Identity was created by Tata group was through systematic communication (Vimal deep saxena, 2014). With the formation of a slogan ‘A Century of Trust’, the leader Ratan tata conversed the values of Tata Group including faith, reliability and service to the nation. The factors backed in making a uniqueness of Tata group was the values and creativity. The uniqueness of Tata leaders was also interpreting social service to the society. TATA SWACH was the concept shaped for the clean and safe drinking water at low cost, Tata Memorial Hospital, TIFR, TISS are few steps of Tata group. For Ratan Tata, the leadership quality is coupled with faith, commitment, Justice, responsibility, creativity, global aspiration, quality and real value for money.

Role of Tata Group During Covid 19:

Unlike other corporates during the pandemic, Tata group companies also got affected a big way in various sectors. Some general impacts that businesses faced globally included disruptions in supply chains, changes in consumer behavior, and financial uncertainties, so is the Tata. Some of the leadership ethics that Tata took into consideration especially during pandemic includes:

- 1. Equipment:** A significant Covid-19 outbreak in India would quickly result in an acute shortage of ventilators, personal protective equipment (PPE) kits, masks and gloves, as well as Covid-19 testing kits. Amid soaring

global demand, purchasing can be very difficult and lockdown makes guaranteed delivery problematic. Tata's looked at this problem and pooled knowledge to do more as a group than any one business could do alone. Under the leadership of Mr. Ratan N Tata, company devoted INR 1500 crore as a group to Covid-19 relief. Tata employees also funded tens of crores towards various response projects. Drawing on the procurement proficiency across Tata Steel, Tata AutoComp Systems and Tata Consultancy Services (TCS), orchestrated a plan to buy large amounts of medical supplies from China, the US, South Korea and domestic sources. Supplies of ventilators and respirators, 400,000 PPE kits, 3.5 million masks and gloves, and 350,000 testing kits have been obtained. The result of the group's collaboration was a series of involvements that were life-saving.

2. **Testing:** Polymerase chain reaction (PCR) kits are a scarce commodity; reagents for testing were imported; and sample collection, processing and transport require specialised equipment and trained personnel. The Tata group has capitalized in technology to make challenging easier, faster and cheaper. With the help of expertise got 'Minimum Testing Maximum Intelligence' approach in the Kolar district of Karnataka. This uncovered evidence of silent transmission among high-risk groups such as health workers and police personnel which enabled us to predict the spread of the disease at a time when Kolar had no definitely positive Covid-19 cases.
3. **Capacity to Serve Patients:** Covid-19 Outbreak around the world have shown that if the health system is overcome, the consequences will be higher mortality rates. India wants many more quarantine and isolation amenities, ICU beds and devoted Covid-19 treatment centres. It was a big help to the local governments and municipal corporations with regard to number of beds, treatment centres and isolation facilities.
4. **Self-reliance:** 'Tata Medical and Diagnostics' produced ventilators and new testing technologies and other medical devices and diagnostics. Tata Motors, Tata AutoComp and Voltas have all brought together their respective expertise in design, manufacturing and procurement; and, in consultation with medical experts from Tata's hospital network and senior government officials, identified products for mass production. They also started manufacturing their own PPE kits.
5. **Technology:** Under the help of Tata Digital, recrafted the Tata Bridgital platform to provide a range of services for users registered on the Aarogya Setu contact tracing app. These include Covid-19 awareness, screening and risk assessment to virtual consultation and triage. Over 3,500 virtual consultations have been provided by doctors on the platform since its launch in May 2020. Tata Bridgital Covid helped people to come out of lockdown safely by assessing the work profile and risk levels of a business, and connecting staff to medical personnel.
6. **Sustenance:** Tata group companies worked to scale meal and food material and provide accommodation across the country. The Indian Hotels Company Limited (IHCL) has distributed over two million meals to healthcare professionals and migrant workers, including to over 20 hospitals in Mumbai, Delhi, Bengaluru, Agra and Coimbatore. The company worked with Tata Trusts to support the Mumbai police with daily meals.

Meals to were a highlight that was taken a great care by Tata Power, Tata Consumer Products, Tata Chemicals, Tata Motors, Tata Advanced Systems Ltd, Titan and Tata Communications each undertook efforts to keep meals flowing to migrant and frontline workers, and those in need across townships, factory locations and settlements where they are located.

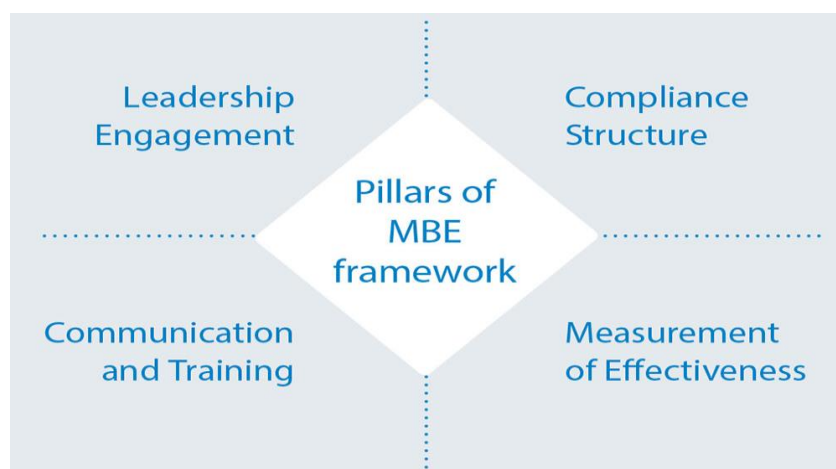
Properties like Taj Mahal Palace and Taj Lands End were opened for medical professionals. These rooms helped doctors and nurses spend less time commuting, thereby lowering the risk of viral transmission.

No lay- offs during the Pandemic:

During pandemic Tata Group has not laid off a single employee, where other several Indian companies have retrenched staff due to lack of cash flow after the nationwide lockdown. However, Tata group has cut salaries of its top management by up to 20%. Several Tata Group companies, including its airlines, hotels, financial services, and auto business, are rigorously hit but have not laid-off employees to date.

TATA STEEL’S MANAGEMENT OF BUSINESS ETHICS (MBE) FRAMEWORK

Keeping in view with Tata’s Code of Conduct, Tata Steel follows a MBE framework to depict their sustainable leadership.



Source:<https://www.tatasteel.com/investors/integrated-report-2020-21r/>

[compliance-and-ethics-sustainability-strategy.html](https://www.tatasteel.com/investors/integrated-report-2020-21r/compliance-and-ethics-sustainability-strategy.html)

At the beginning of each year, objectives and strategies related to the MBE are set at the corporate level, which are then cascaded to divisions and departments, ensuring alignment across the organisation. An appropriate tone is set at the top with the leaders as role models and effectively designed policies and robust processes playing a pivotal role in instilling ‘Values’ in our employees.

Conclusion:

In conclusion, this research delves into the essence of crisis management and ethical leadership, particularly in the context of the Tata Group. Crisis management is portrayed as a strategic approach to identify and respond to critical situations, with a primary focus on ensuring the safety and well-being of stakeholders. The study outlines the diverse industries in which Tata operates and sheds light on the conglomerate's crisis management strategies, emphasizing risk assessment, communication planning, adaptability, employee support, financial resilience,

supply chain diversification, innovation, and collaboration. Ethical leadership at Tata is exemplified through its commitment to sustainability, philanthropy, and societal well-being. The case study during the COVID-19 pandemic showcases Tata's agility, philanthropic endeavors, and ethical decision-making. The research underscores the importance of crisis management and ethical leadership in navigating challenges, contributing to the broader discourse on corporate responsibility and sustainability.

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