

RESPONSE TO COVID -19

SERIES 2
VOLUME 1

RESPONSE OF India Inc.

A STUDY OF 50 CORPORATIONS (AS ON 5 APRIL 2020)

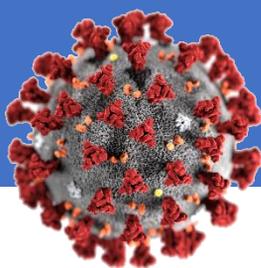
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About the Series:

The School of Public Policy & Governance, TISS Hyderabad, is collaborating and supporting the initiative **undertaken by its alumnus** to document the response of Indian firms and philanthropic collaboratives in the times of COVID-19. This report analyses the responses of business corporations towards their employees, corporations, and allied key stakeholders in the aftermath of the COVID-19 shock.

In the first part of the series, an attempt has been made to document all initiatives and announcements made by 50 major Indian firms and philanthropic collaboratives till 5 April 2020. The policy response has been classified under - a) Employee sensitivity measures, b) Community Outreach, c) Business Re-orientation, d) and Financial Support.

Note: As we understand, this documentation is a dynamic exercise and will require constant upgradation. We will attempt to add the new initiatives regularly and disseminate it widely.

Sources: The authors have taken due diligence to ensure the accuracy of the information presented in this document. Any inadvertent omissions/lapses are deeply regretted. Please inform of any such omissions at sppg.secretariat@tiss.edu. Immediate measures will be taken to correct the information.

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All views expressed in this document are personal and has no relation to any affiliated institution.

Introduction

Across the globe, the COVID-19 pandemic has brought about immense economic and personal loss. On the economic front, developing countries are estimated to undergo an income loss of approximately \$220 billion, catalysed by the mandatory shutdowns of non-essential businesses and personnel (UNDP, 2020). India is projected to be one of the 15 most-affected economies, with almost \$348 million worth of trade to be negatively affected (UNCTAD, 2020). However this world wide shock has also translated into diverse actors – governments, corporations and civil society organisations – coming together with a sense of purpose. In the sphere of markets, several companies whilst dealing with major changes in their production systems are also coming forward in an attempt to ease the burden of millions. Within India, corporations have commenced a range of activities – from distributing safety/medical equipment, contributing funds to even re-orienting their production capacities to supply required medical products.

In this context, this study seeks to track Indian firms and philanthropic collaboratives in terms of their responses towards their employees, communities, and allied key stakeholders in the aftermath of the COVID-19 shock.

The findings generated are solely based on announcements by the companies, Twitter and LinkedIn company statements and newspaper reports. This version has captured insights from 50 companies which announced their initiatives till 5th April 2020.

Understanding India Inc's Reactions to the COVID-19 Pandemic

Historically, businesses have been known to take the shortest path of achieving their end goal – generating profits and returning value to their shareholders. While responsible, socially-oriented companies have been known to exist, the development of Corporate Social Responsibility highlighted companies' obligation to contribute to societal needs.

With respect to COVID-19, certain Indian corporations have acted in a responsive manner by contributing funds and necessary equipment. This behaviour has been encouraged by the Ministry of Corporate Affairs notification which stated that businesses' expenditure for activities regarding promotion of health care and disaster management related to COVID-19, would qualify as CSR spending (Ministry of Corporate Affairs, 2020).

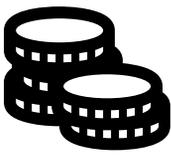
On the whole, Indian companies are following a three-pronged approach to corporate social innovation:

- a) Philanthropic contributions through direct (stakeholders/community) and indirect (relief funds) contributions;
- b) Promoting greater awareness and compliance to safety standards through information dissemination, safety programmes for employees and community members, and other corporate social responsibility programmes;
- c) Developing new products or services/re-orienting production lines to manufacture necessary products, such as personal protective equipment (PPE), masks, and ventilators.



Methodology of the Study

This study has analysed the responses of 50 major Indian firms to COVID-19. These responses have been classified across four domains:

Domains	Components
 Employee Sensitivity	<ul style="list-style-type: none"> ❖ Instituted work from home for workers ❖ Distributed personal protective equipment and allied safety equipment to employees ❖ Continued pay for contractual workers and daily wage labourers employed in their respective firms ❖ Committed to not lay off non-permanent staff during the COVID-19 lockdown ❖ Initiated tertiary employee support programmes such as wellness lessons, online education for employees' children etc.
 Community Outreach	<ul style="list-style-type: none"> ❖ Initiated community outreach and information campaigns about COVID-19 ❖ Commenced financial support for non-employee/allied third-party service providers ❖ Mobilised the support of self-help groups for the manufacturing of personal protective equipment ❖ Provisioned rations/essential commodities of daily use (non-medicine) to community members who are not employees (directly or indirectly) ❖ Provided essential items of medical use to community members who are not employees ❖ Committed personnel to undertake front-line relief efforts/community service related to COVID-19 ❖ Gave access to organisational infrastructure to be used as quarantine/treatment facilities to public health authorities ❖ Supplied cooked meals to community members who are not employees (directly or indirectly)
 Business Re-Orientation	<ul style="list-style-type: none"> ❖ Pledged to re-organise production systems/innovate business processes in line with COVID-19 requirements ❖ Reduced prices of manufactured products/services or enhanced service level agreements to cope up with COVID-19 requirements
 Financial Support	<ul style="list-style-type: none"> ❖ The total financial commitment for COVID-19 ❖ Total donation to PM CARES for COVID-19 ❖ Total contribution to CM Relief funds for COVID-19 ❖ Total funds earmarked for upgrading health infrastructure/providing equipment to health care providers ❖ Employees committing a part of their salary as financial support

Analysing Indian Firms' Responses to the COVID-19 Pandemic

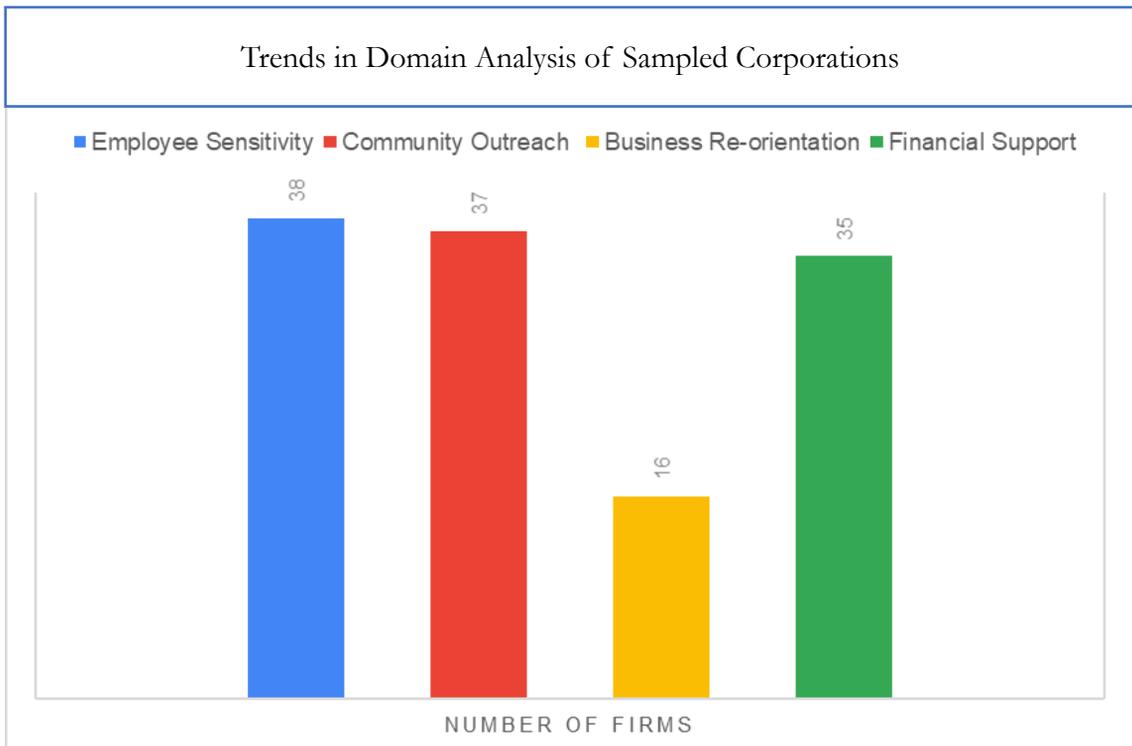
The analysis of the sampled Indian corporation highlights:

- ❖ 22% of the firms have contributed to all four domains
- ❖ 26% of the firms have contributed to three of the four domains
- ❖ 34% of the firms have contributed to two of the four domains; and,
- ❖ 18% of the firms have contributed to one of the four domains

Inter and Intra-domain Analysis of Sampled Indian Corporations

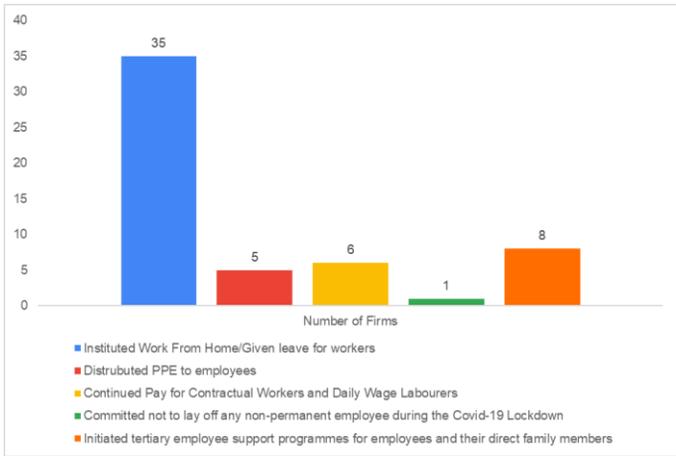
The domain analysis of sampled Indian corporations indicates the following trends:

- ❖ 38 firms have focused on implementing employee sensitive policies pertaining to their respective businesses.
- ❖ 37 firms have carried out community outreach measures.
- ❖ 35 firms who have provided financial support for non-employees.
- ❖ 16 firms are re-inventing their business processes in line with the social needs of COVID-19.

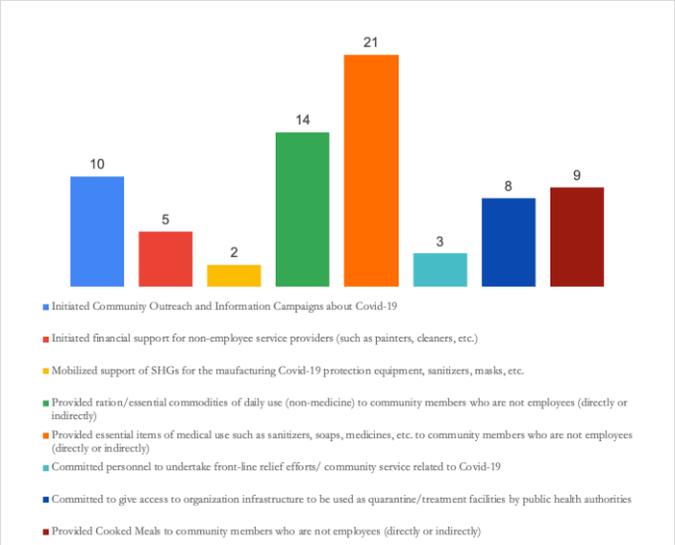
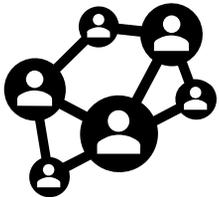


The **Employee Sensitivity** component-level analysis highlights that most firms are focusing only on instituting work from home or giving leave to their workers (38 firms), in accordance with the government regulations. Although six firms are continuing pay for their daily wage labourers/contractual employees, only one firm has committed not to fire their non-permanent staff. This highlights the increased vulnerability of informal workers and contractual employees during this shock.

The component-level analysis of the **Community Outreach domain** highlights that most firms (21 firms) have spent on providing essential medicines such as sanitisers, soaps etc. to community members who are not direct employees. However, only 2 companies have focused primarily on using SHGs for manufacturing the required masks and 3 firms have committed personnel to undertake front-line activities related to COVID-19. Moreover, the focus on providing financial support to non-employee service providers or third-party agencies (such as painters, cleaners, etc.) is also low across the selected firms (only 5 firms).



Employee Sensitivity

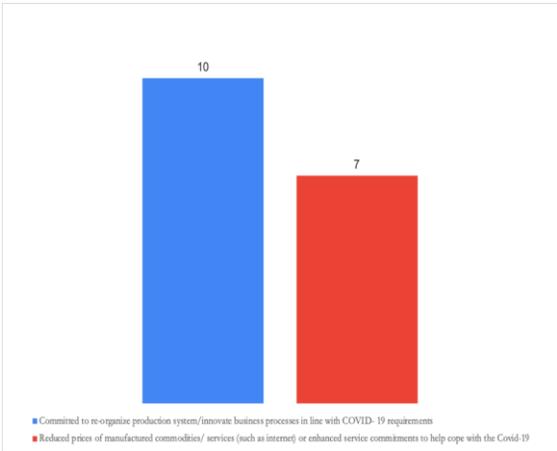


Community Outreach

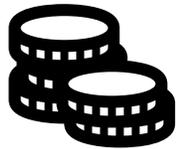
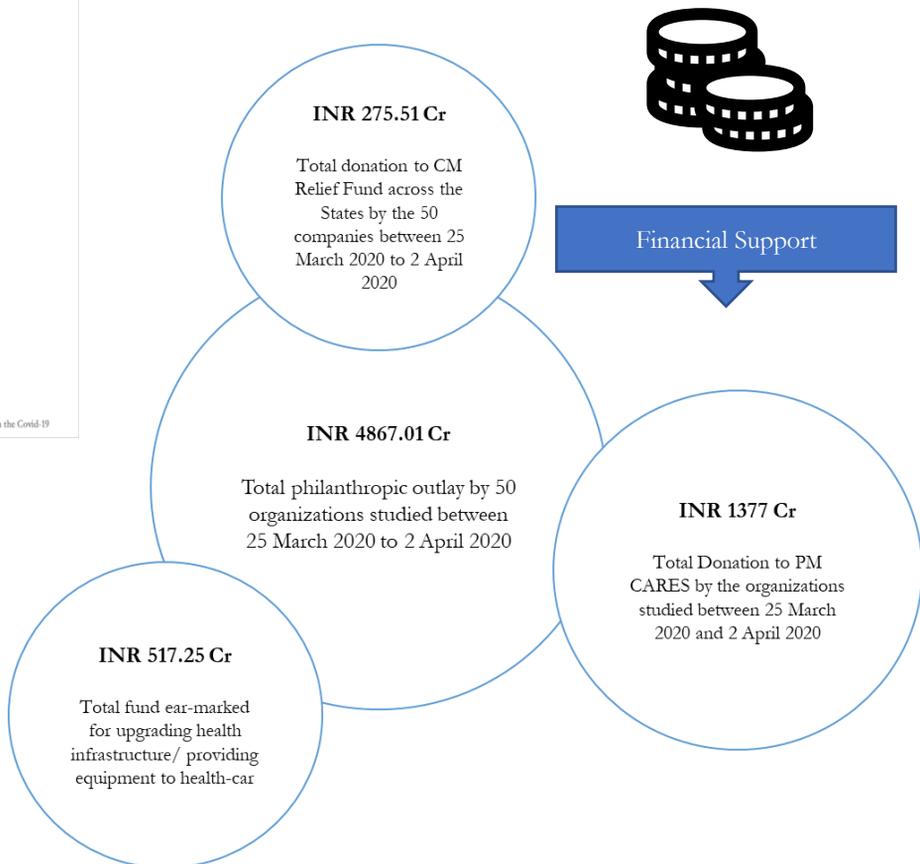


The **Business Re-orientation domain** component level analysis shows that most of the firms (10 firms) are re-organising their production systems and/or bringing in innovative practices to bridge the unmet demand. This highlights that firms are looking at a mid-term to long-term changes within their business structure. (refer Page 8). 7 firms are also looking at cost-competitive measures by reducing the prices of their manufactured commodities and/or enhancing their service commitments to not only aid the general public but also attract higher demand.

Across the 50 selected firms, approximately INR 4867.01 Crore has been provided as **financial support**, with most of the donations going towards PM CARES (approx. 1377 INR CR). With donations being counted as CSR, there has also been a significant amount of ear-marked expenditure (INR 517.25 Cr) towards upgrading and/or providing health infrastructure and equipment to public health care officials.



Business Re-Orientation



Innovation in the times of COVID-19: Re-changing Business Processes

Along with providing external and employee support, businesses are bringing in new innovations to cope up with the changes brought about by COVID-19. Among the surveyed corporations, Swiggy, Zomato and Omdiyar Network are interesting business innovation cases.

Swiggy and Zomato are online food ordering and delivery platforms that have significantly changed their business functioning in the recent weeks. Both these companies have extensively trained their delivery partners in best practices of respiratory hygiene, washing hands and identification of symptoms through various information dissemination channels. The kitchen partners have also been advised to ensure best hygiene practices while handling and packaging food items. In order to bolster customer confidence, both Swiggy and Zomato have started contact-less delivery options and provided a quality checkmark for restaurant partners that are following the hygiene advisory (Shrivastava, 2020). Both companies are also trying to raise funds from customers through the “Swiggy Hunger Saviour COVID Relief Fund” and “Zomato Gold Support Fund”. These companies have also started delivering groceries and essential items to their customers, opening new potential market opportunities (PTI India, 2020; Hindustan Times, 2020).

Omdiyar Network have taken their motto forward of investing in bold entrepreneurs looking to make social change, by announcing a call for innovative solutions to tackle the challenges posed by COVID-19. As of date, it has announced a funding of Rs 1 crore to a collective of 20 grassroots civil society organisations working with migrant labourers. This fund will be used to disseminate information regarding COVID-19, counsel migrants, support migrants who are at high-starvation risk and identify livelihood opportunities for them. This is an example of what Omdiyar Network is willing to fund through its INR 7.5 crore Rapid Response Funding Initiative (ET Online, 2020; Varshney, 2020).



How Has India Inc. Responded?

Companies have been categorised according to their contribution across the four domains listed in the previous page. Each domain is given equal weightage, and one domain equals to one 

Domains Contributed	Category	Corporations/ Related Organizations
	Covid-19 Trendsetters	Tata Sons TVS Company Omdiyar Network Reliance Industries Larsen and Toubro Hindustan Unilever Bharti Enterprises Godrej Swiggy Sun Pharmaceutical Zomato
	Dynamic Sponsors	Mahindra Group MG Motor India Dalmia Bharat Jindal Steel and Power NMDC LG Electronics India Bajaj Group JSW Group Piramal Group ITC Amara Raja Group Mankind Pharma Infosys Foundation
	Change Promoters	Vedanta Group Renault India Shalimar Paints Xiaomi India Power Finance Corp ONGC DIAGEO India Nerolac Paints Hero Group State Bank of India Axis Bank DCB Bank Adani Foundation RB India Wockhardt Edelweiss Insurance LNG Bhilwara
	Business Supporters	Uber Kotak Mahindra Eurolife Healthcare Hamdard Foundation Icertis DLF Abhay Firodia Ltd Jackson Group Nippon Paint Ltd

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