



भारतीय प्रबंध संस्थान बंगलूर
INDIAN INSTITUTE OF MANAGEMENT
BANGALORE

WORKING PAPER NO: 345

Suzlon Foundation: Engage, Empower, Sustain



Amit Gupta

Associate Professor

*Organisational Behaviour & HR Management
Indian Institute of Management Bangalore
Bannerghatta Road, Bangalore – 5600 76, India
Ph: 080-26993322
amitg@iimb.ernet.in*

Vasanthi Srinivasan

Associate Professor

*Organisational Behaviour & HR Management
Indian Institute of Management Bangalore
Bannerghatta Road, Bangalore – 5600 76, India
Ph: 080-26993046
vasanthi@iimb.ernet.in*

Year of Publication 2011

Abstract

The Suzlon case describes the manner in which the CSR activities of the organization moved from adhoc charity, deliberate philanthropy to strategic philanthropy to a more structured corporate wide CSR initiative. In this journey to institutionalized CSR, there was a need for Suzlon to strengthen its systems and processes, hire and retain the right kind of people and get the entire organization to buy into a common philosophy towards involvement in the communities in which Suzlon operated. This case throws light on the manner in which Suzlon went about recruiting a development professional to lead its CSR strategy, the manner in which the company's understanding on sustainability issues began to get strengthened through the CSR department and finally the challenge faced by the department to pursue its intent and purpose within the organization, especially in the background of the financial crisis. The manner in which the leadership of Suzlon chose to engage with CSR is of significant interest for a number of infrastructure based organizations that have seen rapid growth in the Indian context. The case also demonstrates the need for companies to engage responsibly with communities, in particular when infrastructure requires acquisition of large land holdings.

Keywords: Suzlon, CSR, global operations, Institutionalization, financial crisis

Suzlon Foundation: Engage, Empower, Sustain¹

Introduction

It was a humid rainy evening in August. As Seemantinee Khot, Head of CSR, Suzlon watched the rain falling from her office, she looked back on the last year with satisfaction. She had just come out of a meeting with the senior management team. The impact of the global financial crisis was being felt by Suzlon. She knew that the strategic direction that she had presented for the Foundation last year would require re-examination. She was happy that the organizational commitment to CSR had not waned but, given the financial implications, she had to now rethink the CSR strategy for the next two years. At this, her memories went back to her decision to move to Suzlon.

In 2008, Suzlon was ranked among the top 5 wind power companies in the world with 10.5% of the world wind energy market, with more than 14,000 employees from 23 countries, with a combined turnover of Rs 13,679 crores (about USD 3 billion at a conversion rate of 1 USD = Rs.46).ⁱ

The journey of Suzlon started in 1994 when Mr. Tulsi Tanti, an entrepreneur ordered two wind turbines from the Vestas, the Danish leader in wind turbines. The process of installation of the wind turbines was very frustrating. Manufacturing, installation and maintenance of wind turbines were done by three different organizations, none of whom were willing to talk with each other. He was however able to meet all the power requirements of his factory from wind energy. Seeing this, other manufacturers in the area started showing interest in the wind turbines. Mr. Tanti realized that energy requirements of India were only going to increase in the future. The experience of setting up the wind turbines in his factory made him realize that there was a huge opportunity in the wind energy business. Along with his brothers, Mr. Tanti founded Suzlon Energy and moved to Pune, a city near Bombay in India.ⁱⁱ

The business model of Suzlon was based on providing end-to-end services and integrated solutions to their customers, who were interested in harnessing wind energy. Based on their judgment that wind energy had great potential, they realized that there was likely to be shortage of key components that are needed in erection and installation of wind farms in the future. This led them to a business model of being a vertically integrated player. They realized that they

¹ Acknowledgements: We are grateful to Mr. Girish Tanti, Mr. Yesheen Vibhakar, Ms. Seemantinee Khot, Dr. Jasmine, Mr. Kiran Inamdar, Mr. Ravi Bajaj, Ms. Pooja Aradhya, and other employees of Suzlon and Suzlon Foundation for giving us access to the organization, providing us with the material for writing this case, and spending two days of their valuable time with us answering our many questions. We thank IICA-German Development Foundation (GTZ) project for giving us a generous grant that made this case writing possible and Ms. Monica Ramesh from the Corporate Social Accountability Division, Association For Stimulating Know How (ASK) for all her help with the project.

Professors Amit Gupta and Vasanthi Srinivasan from Indian Institute of Management (IIM) Bangalore, Bannerghatta Road, Bangalore-560076, India, wrote this case. This case is meant for discussion of various management issues. It is not meant as an illustration of effective or ineffective management. It is intended to bring out the complexity of managing Corporate Social Responsibility (CSR). It is not meant to make a value judgment.

needed to combine the innovations and technology of the West with the low cost manufacturing base of India, to be profitable. Moreover, customers and supply chains were increasingly becoming global, and to take advantage of the differences in skills of different locations was critical to being a global player. This led them to adopt a model that would help them be a globally integrated player.ⁱⁱⁱ

Setting up of wind farms required interaction and interface with a number of stakeholders that threw up various challenges related to the process of land acquisition, development of infrastructure at the site of the wind farm project, logistics involved in setting up the wind farm and involvement of the local community, both during the project executing stage and in the project operation and maintenance stage.

Suzlon went through a period of rapid growth from 2005 onwards making it among the top five wind power companies in the world by 2008. This growth was organic and inorganic, both within India and internationally.^{iv} This resulted in an expansion in the employee base and in the number of locations that Suzlon operated in. Given the rapid growth of the Indian economy, Suzlon in a short period of time, had to scale up organizationally to manage its stakeholders effectively.

As one executive mentioned “One of the business challenges we face is the trade off that we need to make between the time to be spent in building community relations so that we have a smoothly functioning wind farm and the pressure to be ahead of competition in delivering the commitments made to the customers.”

In the words of Girish Tanti, “Given our business model, we need a continuous and long term engagement with the community in the areas in which we operate our projects. Community trust and consent is the key to the business success of Suzlon. All our people have to understand the local community, their problems, and be able to engage with them and help them, within our limitations. We have to continuously and intimately interact with the communities such that everyone benefits – the local community is able to get the benefits of the basic infrastructure and other CSR projects that we do, we are able to operate our wind turbines without any problems, our customers are able to get clean and regular supply of electricity and the nation is able to meet the increasing requirements of energy from environmentally friendly and sustainable sources.”

Community responsibility at Suzlon:

The Tanti Family always had a deep sense of giving back to society and was engaged in philanthropy for many years. They also had a personal “Tanti Foundation” through which they supported the cause of education and health in the regions that they operated in. As a part of Suzlon’s social responsibility also, there was a budget to support and develop the communities where the company operated in. This budget was usually ad hoc.

In 2005, as Suzlon began to grow rapidly, it was decided to bring a focused approach to the philanthropic activities. Suzlon supported a few NGO’s in the state of Gujarat, who were engaged in providing health facilities and drinking water in the region where its operations were carried out.

Due to rapid growth from 2005 onwards, the company had to expand its CSR activities. The new operational sites required different kinds of community engagement. An international intern was asked to study the CSR practices in Suzlon in the summer of 2005. After examining the activities undertaken by the organization, the report recommended that there was a need for a comprehensive CSR strategy and that Suzlon also needed to comply as a global corporation with GRI standards. By 2006, it was clear that Suzlon needed a professional team and appropriate leadership with experience in understanding communities to build the CSR function. The traditional philanthropic and ad hoc support to communities would not suffice in terms of action from a rapidly growing global corporation. It became clear that Suzlon needed a changed approach to relate to, understand and respond to the needs of the communities around wind turbines. They could not continue with CSR in the informal manner in which they had been operating. Suzlon needed to set up a formal organization and get professionals to manage its CSR activities. In 2006, Suzlon invited social activists (Seemantinee Khot, alias Seema) for discussions to take over the CSR function.

Selection of CSR Head:

A rather atypical candidate for a corporate position, Seema was initially apprehensive. She had spent her entire life working in the not for profit sector, with a clear vision and strong commitment for equitable, just and fair development. Coming from a farmer's family in a drought affected area in the State of Maharashtra, educated in a premier institution, Tata Institute of Social Sciences at Mumbai, with a Masters in Social work and wide and diverse experience in research, training and implementation of sustainable livelihood projects, Seema was looking for an opportunity to experiment in a new area.

As she reminisces, "I grew up observing, and experiencing, far-reaching effects of vulnerable livelihoods, in drought prone regions of Maharashtra state. As my family was amongst those who initiated efforts for reversing the trends of unsustainable use of natural resources, my lessons in social change began at home and I chose rural development as my profession. My stint with student unions during the politically oppressive period of the mid-1970's in India, were formative in many ways. The significance of political will, local leadership and mobilization as determinants of development became evident then, and helped in developing a pro-poor perspective. I started with grass root level mobilization for women's rights, later got introduced to participatory development philosophy, which changed my perspective forever. Communities should be architects of their own development and not subjects of armchair development thinkers".

Seema has done advocacy and practiced this perspective through several national and international assignments since then. For over a decade she led multi-location, multi-sectoral projects for sustainable development, with one of the largest NGOs in India, BAIF and gained substantial experience of managing implementation and monitoring of development programs. As recognition of this work, she has been selected on several missions / consultative / planning processes by Government of India and UN agencies, as gender and livelihood expert. Knowing my background, Suzlon contacted me in March 2006 and asked me to consider an offer as a potential candidate to lead the corporate social responsibility function."

At this request, Seema thought, “As an activist to the core, I saw “big businesses” as a part of the “problem”. The Suzlon opportunity sounded exciting as this would allow me to see and experience the system from within and give a different perspective to development. The fact that it was the green sector, and the promoters were an entrepreneurial family with a farming background made the choice easier, but at the same time the fact that it was after all a profit making outfit and had a vision of becoming a global leader in the sector seemed like a challenging opportunity”. Her major concern was land acquisition. She believed that in a country like India, land use is so deeply intertwined with sustainable development and equitable economy. Therefore, the need to impact the acquisition process of land development is an area that she wanted to be associated with.

She realized that it would be a big shift for her from international UN consulting to a corporate position. However, she also saw it as a professional challenge where she would have the opportunity to build a model of private–public partnership that she felt was the need of the hour given the scarcity of resources. She was excited by the opportunity to facilitate the transition of a large organization like Suzlon to achieving international standards of CSR and be known as a key player in sustainable development, a force to reckon with in India and internationally.

On a personal front, it would allow her to consolidate her experience and make a qualitative change from her past. She was also favorably inclined towards Suzlon given that it operated in an environmentally friendly, clean industry and had a huge potential to contribute directly to the upliftment of people and sustainable development of the areas that it operated in.^v

She had a series of meeting with Mr. Girish Tanti and Mr. Tulsi Tanti on the key CSR priorities, the mission, vision and key result areas for CSR, administrative issues like reporting relationships, staffing and funding for the CSR department. In August 2007, Seema joined Suzlon as the Global Head for CSR.

Initial phase of CSR department in Suzlon:

Seeing the spread and complexity of the Suzlon operations, Seema realized that CSR in Suzlon could be effective only through partnerships with civil society organizations who could help address business impacts. She was excited by the opportunity to facilitate the transition of a large organization like Suzlon to achieving international standards of CSR and be known as a key player in sustainable development, a force to reckon within India and internationally.^{vi}

When Seema joined Suzlon, the main task confronting her were to get a buy-in from all the top managers for the CSR, put CSR activities in the organization on track such that they were done in a planned, thought out manner, roll out the CSR message and activities to all parts of the organization and get everyone involved in CSR. “All businesses have side effects as a byproduct of conducting business. Businesses have to accept the consequences and side effects of their business and respond to them in a meaningful manner such that the impact on various stakeholders is mitigated. Therefore, what was needed was to have a planned approach to CSR with specific and tangible societal benefits through programs in specific focus areas and geographic locations where Suzlon had a business interest”.

She had a series of meeting with Business Unit (BU) heads to understand business issues as perceived by them, and with stakeholders – farmers, customers, bankers, etc. to set priorities, the mission, vision and key result areas for CSR, administrative issues like reporting relationships, staffing and funding for the CSR department. These meetings helped remove doubts from her mind and also helped assure the top management that she was the right person for the job.

She realized that many challenges lay before her like aligning of business and CSR interests, evolving a commonly accepted CSR policy, evolving CSR standards, developing appropriate and niche programs, regularly monitoring compliance and striving for excellence, building an image of Suzlon as a socially conscious corporate and communicating CSR impacts to investors, employees and general public.^{vii}

While sharing her qualitative assessment of the nature and role of CSR within Suzlon with Mr. Girish Tanti; she made it clear that the communities were feeling cheated by the manner in which corporates were operating. That Suzlon will have to be mindful of the impact of landless and small farmers alienated from lands. That by and large CSR is seen as charity and a pacifying tool. These misconceptions had resulted in a variety of activities being classified under CSR. The variations across the different regions in the manner in which CSR was carried out, varied significantly. Despite these internal variations, the communities in and around the wind farm blamed their own community members and leaders for the poor state of development rather than the company. It appeared that Suzlon did have some goodwill in the communities that they operated in but needed better rapport and responsiveness. Though “green”, Suzlon’s business did have some negative impacts on the natural and social capital in the neighborhoods, these could be mitigated with enhanced community engagement. Suzlon would need to be assessed on triple bottom line performance and this would provide a lot of scope for using CSR effectively. Based on this assessment, Seema presented the CSR framework and this became the mandate for Suzlon Foundation, a Section 25 company created in December 2007, to lead the corporate social responsibility programs and policies of the Suzlon Group.

The Suzlon foundation was envisaged to not just engage in CSR with funds sourced from Suzlon, but would also support CSR activities on funds provided by employees, customers, suppliers or others who believed in the good work being done by Suzlon Foundation.^{viii}

Suzlon Foundation and Vision:

Based on the consultations she had with the Heads of Business Units, the Suzlon mission statement was drafted and presented at the senior management meeting. After deliberations and inputs by the CEOs and some BU heads, the CSR mission for the Suzlon Group of companies was endorsed in Dec 2007.

Suzlon Foundation’s strategy focuses on its three brand pillars of ‘Engage, Empower and Sustain’ (Appendix 2).

As per this framework, Corporate Social Responsibility activities are classified under three programs^{ix}.

- Transformative
- Responsive
- Proactive

Transformative corporate social responsibility programs are designed to ensure that all business practices uphold sustainability as guiding principle. These programs facilitate changing the way Suzlon conducts business and focuses on the internal environment and employees. The main goals of the transformative CSR are to minimize the carbon footprints of Suzlon and engaging employees to be responsible civil society members.

Responsive initiatives are aimed at addressing the impact of the activities of Suzlon on the communities near the projects, focusing on the impact of Suzlon on people, cultures, ecology, economy and infrastructure of the locations in which it operated. Efforts are directed towards minimizing negative impacts and optimizing positive impacts of business on the external environment. Responsive corporate social responsibility programs also aimed to contribute towards the achievement of Millennium Development Goals.

Proactive initiatives are guided by the corporate vision of 'Powering a Greener Tomorrow'. Suzlon Foundation desires to champion the cause of renewable energy. With this thought in mind, proactive initiatives have been designed which include combating global issues such as climate change/global warming, natural disasters, international peace, youth development, cultural diversity, human rights, equity and justice.

Challenges at Suzlon:

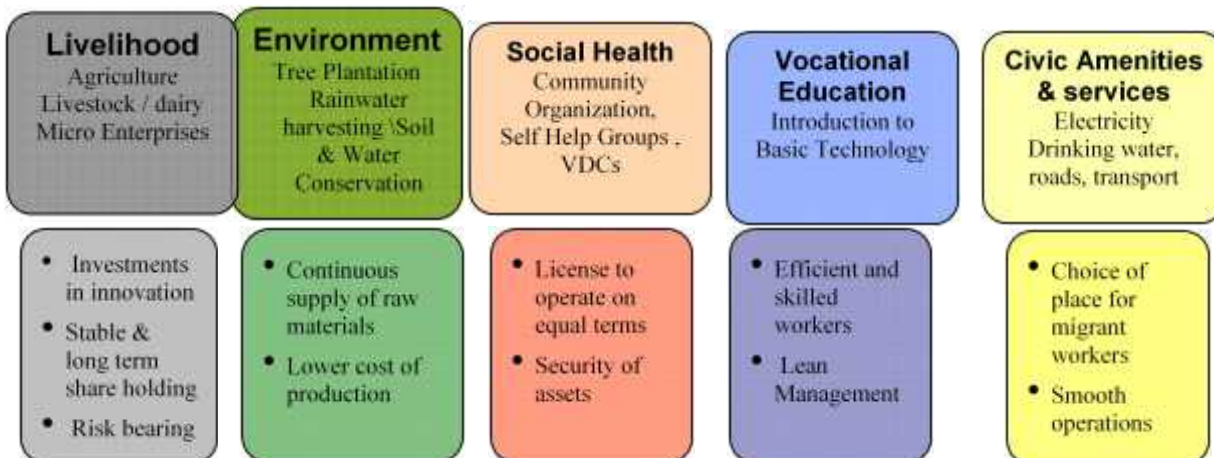
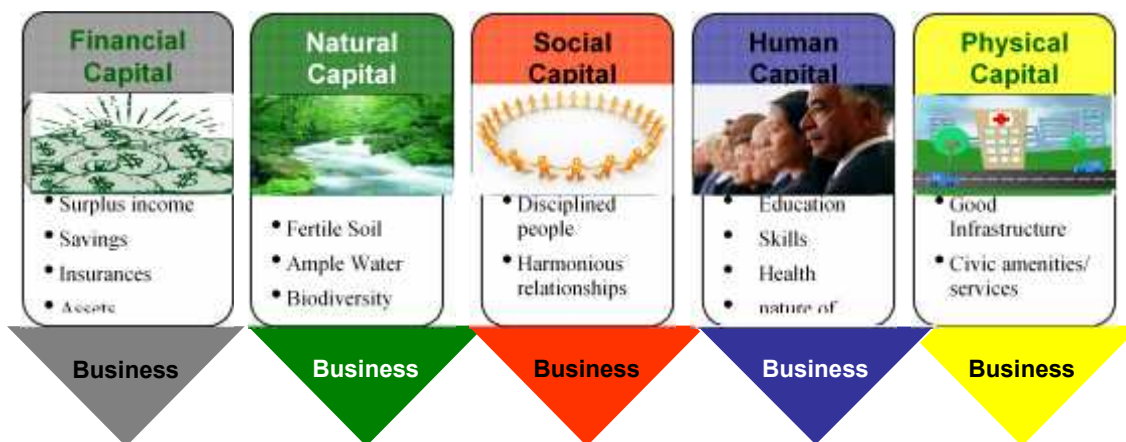
An important task for Seema was to establish the credibility of CSR within the organization. She had to quickly implement meaningful projects and activities at the ground level that would engage the communities in which Suzlon was operating. She also realized that since the responsibility for CSR was decentralized, there was a lack of planning for activities classified under CSR. She would have to bring all the decentralized activities under the umbrella of the Suzlon Foundation and involve all the units within which projects and activities were being done. This would ensure a planned, systematic and focused approach to CSR that would have tangible impact.

A number of important decisions had to be made if Suzlon were to implement and institutionalize CSR in its day-to-day business. The first decision was to clearly define what would be included in CSR and what would be excluded from CSR. It was decided that charity and philanthropy would be minimal in CSR and limited to only natural disasters.^x A second important decision was to decide the focus and mantra for the CSR policy. The guiding principle was “dignity for all”, which included the Suzlon brand, its people and its stakeholders. The third important decision was to decide the locations for doing CSR. It was decided that at the first stage CSR activities would be limited to areas where Suzlon had a business presence.^{xi}

A fourth decision was to articulate the thematic focus of CSR programs. In line with the philosophy that CSR is about responsible business, Suzlon Foundation worked on explaining the link between the resources around the business and business impact on the surrounding

resources. Substantial time was spent on illustrating this relationship between sustainability of business and that of resources - Natural, financial, social, human and physical. The impacts varied from business unit to unit and from location to location. But generically they fall into five categories.

Sustainable Development for Sustainable Economy



All these resources affect the business and the business in turn affects them

The main focus areas that emerged from the CSR framework “Sustainable Development for Sustainable Economy” was in alignment with the green business of Suzlon. (Appendix 3).

The fifth important decision was to identify how the CSR focus areas would be implemented at the level of each BU. It was decided that for each BU a separate CSR plan will be submitted outlining the connection with business issues, along with budgets. Each BU is expected to channelize their CSR budget through the foundation.” Clear criteria for selection of projects would be provided by the CSR department. There are regional CSR Councils representing BUs operating in the region.

The final decision was about the funding for the foundation. There were many options for this – a corpus could be created for Suzlon Foundation, funding could be tied up with a percentage of donation tied to the top and/or bottom line of the organization; it could be based on total MW of wind minds sold or installed each year; or it could be as a fixed sum of money donated to the Suzlon Foundation each year. The final decision on funding was left open. A contentious issue in linking the financial contribution to the organization was the business uncertainty and business cycles that Suzlon might face over the course of its lifetime.^{xii}

One of the key requirements to execute the decisions made was to assemble a team of competent people, who would help translate her strategy to action. There were three professionals in the CSR function when she joined Suzlon. She learnt the business environment from them, gave them confidence that they had an important role to play in the new CSR mandate and mission for the organization and aligned their current work with the future expectations of the foundation. Dr. Jasmine, a medical doctor by profession, Dr. Shukla a Veterinary Doctor, Prahlad Vihol an Agriculturist, Dr. Ranveer Singh an Agronomist, Dr. Anagha Joshi an MBA with doctoral work in Solar energy and Ms. Pooja Aradhye, an administrative support were her earliest recruits. All of them had been her colleagues from BAIF. She ensured that she has a multi-disciplinary team with substantial field experience.

Structuring CSR department at Suzlon Foundation:

The challenge was to structure the CSR function at Suzlon. There were four options – a centralized structure where there would be a team of subject matter experts like Dr. Jasmine at the corporate office who would formulate all the policies and programs and implement them based out of the corporate office. All the responsibility for CSR activities would be on the corporate office and would mean that Suzlon foundation would have a large number of employees executing the programs in regions from the corporate office.

The second option was a decentralized structure where there would be a team of subject matter experts at the corporate office of Suzlon Foundation who would formulate all the policies and programs and the actual implementation would happen through small teams of employees of the Foundation and Suzlon employees located at the operation sites.

The third option was either a geographic or functional matrix organization with employees from the Foundation. The advantage of a geographic matrix was that it would be decentralized and flexible in responding to the local requirements. The disadvantages would be that the dual

responsibilities might create additional stress and communication problems as people tried to manage two bosses. There would be fewer experts in the Foundation and monitoring might become a challenge due to the size of the organization, thus resulting in uncontrolled growth. The functional matrix on the other hand would result in the structure being centralized with more expert knowledge at the corporate office and at the same time being flexible. However the disadvantage would be that the dual responsibilities might create additional stress and communication problems as people tried to manage two bosses. More importantly the people might lose touch with the ground realities and implement standardized programs irrespective of the ground realities.

The last option was to work with a large number of partners and have all the staff at the corporate office monitoring the programs. The advantage of this was that the implementation responsibility would not be with employees leaving them to do monitoring and implementation. The disadvantage is that Suzlon foundation could quickly be seen as a donor organization disbursing funds to NGOs.

The structure as it stands today has a small group of people at the Suzlon Foundation's corporate office in Pune. There are one or two employees located in different states who monitor the activities at the ground level, but each of them is also a subject matter expert available for consultation for the central team and any inputs for the locations. Monitoring of activities is done by all members. On a monthly basis the state level managers track activity plans, on a quarterly basis the central team joins them to review quality of outputs and outcomes and on a six monthly basis a 360 degree analysis is done of partner organizations through which Suzlon Foundation implements a number of CSR projects or of programs that Suzlon Foundation implements directly. A significant part of the work of the foundation is done through the employees of Suzlon's operating units who volunteer to support Suzlon Foundation's programs and activities.

Executing the strategy:

The CSR team decided to continue with the efforts that had been initiated and slowly expand the activities in a new direction that was congruent with the direction that the organization needed to move towards. One of the first things that were done was to develop a policy for engagement with the NGO partners. Suzlon needed to change its perspective from viewing NGOs as implementers of projects to partners who would help shape its CSR agenda in the communities. There was no policy for involvement of employees in CSR activities of the community during the initial stages. This was critical since front line employees were the first point of contact with the communities and they would often face the brunt of the local wrath.”

The CSR team's approach was to see NGOs as partners in development. They endeavored to establish a relationship with NGOs that was beyond a funding relationship and focused instead on building their capacities and mentoring them. The Partnership Principles were defined first, to govern the relationship between Suzlon Foundation and its partners. These Partnership Principles are as follows:

- Commitment to Sustainability
- Mutual Respect for stakeholders involved
- Transparent and democratic decision making

- Shared responsibility and credit
- Respecting gender equity, diversity and plurality

With this partnership approach, it became necessary to establish standard processes to identify credible and legitimate NGOs, partner with them to implement appropriate projects, set up a process for continuous monitoring and follow up to ensure that work was actually being done. The team came up with standard operational process manuals that specified the manner in which Suzlon Foundation would work with the various Suzlon businesses, with the state level CSR councils that were established and with other stakeholders. These manuals were intended to provide transparent methodology in establishing Partnerships for Corporate Social Responsibility projects. These manuals were made available on the Suzlon Foundation website.^{xiii}

Each state has a CSR Council, consisting of cross functional employees representing different levels of hierarchy. The councils are responsible for identifying key business issues that need to be addressed through CSR, selecting partner organizations and designing CSR projects with the partners. The councils also indentify some line employees of Suzlon who come directly in contact with community and other stakeholders on site. The CSR team gives them CSR orientation and they act as CSR Champions for any trouble shooting required on the ground. . The councils are expected to meet quarterly, in some states they are very regular and active and in some others the CSR team has to facilitate the meetings. The council members visit CSR projects during regular reviews and participate in 360 degree assessment of CSR projects every six months. The 360 degree reviews involve community, civil society organizations, concerned government departments and the CSR Councils, to overview and analyze relevance, adequacy, effectiveness and sustainability of each initiative.



The next major test was the presentation at the strategic planning meeting in March 2008. This was the annual review and planning meeting of the global top management of Suzlon. The top 25 senior business leaders from all over the world come together at this meeting. Everyone is given 30 minutes to talk about their unit and their plans for the coming year.

In most organizations since CSR is a non-revenue generation activity, its impact cannot be measured, hence it might not fit into the standard business presentation template. Since, the template represented the company’s way of thinking and understanding the world, it was decided that the CSR department would also present in the same format. The vision of CSR for the

company was broken down in to the following CSR programs which were proposed to be carried out at three levels addressing distinctive issues.

| CSR Program | Issues being addressed |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transformative CSR Programs | <ul style="list-style-type: none"> ✓ No Child labor ✓ Payment of minimum wages ✓ Be equal opportunity Employer ✓ Employee CSR Service ✓ Use of energy saving devices ✓ Soil and water conservation ✓ Health Clinics |
| Responsive CSR Program | <ul style="list-style-type: none"> ✓ Enhancing Educational Opportunities-Technical Training to youth ✓ Civic amenities - Housing/ public toilets ✓ Community Organization - Self Help Groups formation ✓ Livelihood promotion : Credit, training |
| Proactive CSR Program | <ul style="list-style-type: none"> ✓ Conjunctive Land Use – Organic agriculture, plantation ✓ Bio-diversity – recycling bio-mass, ✓ Inter/national understanding and peace – student exchange |

The CSR presentation won accolades of the top management in the strategic planning meet Stimulus in Dec 2007. As Seema recalls “they realized that CSR was not an add-on, but that it was business and a better and cheaper way of doing business.”

Creating and building employee commitment to CSR

One of the earliest sensitizing efforts was to conduct a workshop amongst employees across the organization on what was the new CSR agenda at Suzlon. It was felt that the employees had a world view that stakeholders meant customers, shareholders, employees, governmental and local village administrative bodies. There was a need under the new CSR agenda at Suzlon to incorporate a wider perspective to this definition which included sensitization to other stakeholders like the community, local villagers who could create problems because of increased truck movements during construction, farmers on whose lands they may not have been able to install wind mills, the truck drivers whose rash driving might result in damage to very delicate equipment and huge losses to the organization and create animosity among local villages, resulting in losses and delay in project implementation. Beyond this, employees needed to buy in to the idea of sustainable growth, both from an environment and social perspective.

Dr. Jasmine from the CSR department designed a one day training module that sensitized the participants to CSR issues confronting the organization. The module was made interactive with a

number of exercises and group activities in order to engage the participants, bring out their orientation about CSR and present Suzlon's philosophy and orientation to CSR. The main issues dealt with related to importance of environmental sustainability, engagement with the local community, and various programs being conducted by the Suzlon foundation in partnership with other NGO's.

One of the biggest challenges that the CSR team experienced after the training was that participants felt overwhelmed with all the knowledge and information that was given to them and they wondered how they would be able to make a change. Given the organization's rapid growth and pressure on business, it was difficult for most employees to spend an entire day in this training. It was felt that a four-hour module which would acquaint them with the basics of CSR and some understanding on whom to get in touch with in case they face community related problems that they could not address locally, was provided to them.

A series of workshops were conducted within the organization covering a large proportion of employees. The workshop on CSR was subsequently made a mandatory part of the new employee induction that was held at the Pune corporate office of Suzlon. Dr. Jasmine wanted state level CSR managers to conduct these workshops. These managers found the facilitation skills needed to do the workshop difficult. As of January 2010, 3,000 Suzlon employees had attended the training module.

The department decided to start a newsletter called "Connect" that was sent to all participants on the program. This newsletter contained information on various CSR projects and informative articles on CSR. This was done initially to engage the participants to continue to build momentum.

Another area which required attention was that there were no policies /institutionalized mechanisms to involve employees in CSR activities. After the launch of Suzlon Foundation, employees were given the opportunity to contribute two working days to the local CSR effort on company time, besides making financial contributions to the Suzlon Foundation. The employees at various Suzlon sites responded enthusiastically to participating in a number of CSR initiatives.

Downturn and impact on CSR activities:

The downturn had a severe impact on the financial performance of Suzlon. Budget cut announcements were made on 21 October, 2008. By December 2008, there was direct impact on budgets. Budgets were frozen and all discretionary spending was postponed. However, sponsorship from Mr. Girish Tanti and commitment of the top management ensured that ongoing projects of Suzlon Foundation were not impacted. However, funding was not available for any new projects. In spite of the economic turmoil, achievements of the CSR department for 2008-09 were laudable. The major achievements were as follows^{xiv}:

- **All CSR activities were under the ambit of Suzlon Foundation**
 - Policy had been approved, SOPs had been standardized
 - Of the Councils formed about 50% were active and had taken charge of all decisions related to CSR projects

- CSR Manuals and workshops were prepared and rolled out
- CSR activities with the organization wide SAP system
- Communication material had been developed and made widely available on website, KMportal, brochures, 4 animation films had been prepared, 1 documentary had been prepared and 4 documentaries from States were awaited
- **In terms of Transformative CSR activities**
 - 5 Councils had a total of 18 council meetings
 - 1200 persons participated in CSR Workshops
 - >2200 persons days of CSR activities had been conducted
 - 20 major events like blood donation, women's day had been conducted across India
 - The team had been successful in incorporating CSR in several decision making processes
 - CSR team had a remarkably improved comfort level with BU Heads
- **In terms of Responsive CSR activities**
 - CSR had conducted programs at 42 locations with 60 partners and had been involved in 146 projects – 124 in India business alone
 - Peer review had started 36 projects had been analyzed
 - All the projects had been done with a community contribution component
- **Outcomes of all the CSR activities was that**
 - Community contributions had been up to an amount of Rs.1 crore
 - No project had to be stopped because of paucity of funds
 - CSR department had been approached in a number of contentious cases related to community involvement
 - CSR department had obtained ratings both from Karmayoga (Appendix 8) and US Council
 - CSR department had been involved in consultation by NASSCOM and FORD

Seemantini knew that her CSR strategy would have to be in abeyance as the company tided over the crisis. Suzlon's green building was a standing testimony to the commitment to a larger purpose. She just knew that she had to bide her time.

Questions:

1. How do organizations evolve their strategic direction to CSR from a dominant model of philanthropy?
2. What kinds of CSR challenges does Suzlon face?
3. How does CSR implementation happen in organization?
 - a. Recognizing the need for a professional
 - b. Identifying the person
 - c. Creating a mandate for CSR
 - d. Structuring the department
 - e. Identification of the strategy
4. How effective and institutionalized would you say is CSR at Suzlon?

Endnotes

ⁱ Source: Suzlon Energy Limited Investor Presentation, December 2008, <http://www.suzlon.com>, accessed on 8 February, 2010.

ⁱⁱ Source: “Tulsi Tanti's Success Story: The Rise of Indian Wind Power” by Michaela Schiessl <http://www.spiegel.de/international/business/0,1518,559370,00.html> accessed on 25 January, 2010.

ⁱⁱⁱ Source: http://www.suzlon.com/about_suzlon/13.aspx?l1=1&l2=1&l3=10 accessed on 25 January, 2010.

^{iv} Source: Suzlon Energy Limited, Investor Presentation, January, 2010, <http://www.suzlon.com>, accessed on 8 February, 2010.

^v Seemantinee Khot personal communications.

^{vi} Seemantinee Khot personal communications.

^{vii} Seemantinee Khot personal communications.

^{viii} Yesheen Vibhakar personal communications.

^{ix} Source: <http://www.suzlonfoundation.org>, accessed on 8 February, 2010.

^x Yesheen Vibhakar personal communications.

^{xi} Yesheen Vibhakar personal communications.

^{xii} Yesheen Vibhakar personal communications.

^{xiii} Source: http://www.suzlonfoundation.org/standard_processes.html, accessed on 8 February, 2010.

^{xiv} Presentation to India Business Team on 6th April 2009. Confidential internal documents used with permission.