

Fortum India: Responsible Leadership in Times of Crisis
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Summary: Chandler

The case we have researched is “Fortum India: Responsible Leadership in Times of Crisis” done by Laila Garza, Edward Kurowski, and Chandler Stegen. In studying this case we have summarized the nature of the situation Fortum India is facing regarding their construction of a solar plant in Rajasthan, India, amid the onset of the COVID-19 (Covid) pandemic. Upon summarization, we have provided a SWOT analysis detailing a high-level overview of the critical factors identified within the case. Expounding upon those important factors in the SWOT analysis, we address individual advantages and disadvantages for each decision Fortum India must make. Followed by detailed solutions for how we believe Fortum India should act going forward given the circumstances. Finally, comparing the solutions we provided to the actual steps Fortum India took in their response to the Covid pandemic.

The case specifically involves Varinder Singh, Chief Manager of Human Resources at Fortum India Pvt. Ltd. (Fortum India) who must decide how to manage the onset of the COVID-19 Pandemic beginning in early 2020 and beyond. At the time Fortum India was locked into a Power Purchase Agreement (PPA) with the government of India to build a solar energy plant in the State of Rajasthan (Gupta & Sharma, 2022).

Fortum Oyj (Fortum) is an energy company based in Espoo, Finland, founded in 1998 as a state-owned enterprise, now publicly traded on a stock exchange. Offering products and services across the energy spectrum. They are one of the largest energy companies in Europe, ranking as “the largest CO₂ free power generator in Europe and Russia, third-largest nuclear generator in Europe, and fourth largest gas operator in Europe.” (Gupta & Sharma, p.3) In 2021 alone, Fortum recorded sales figures of over 112.4 billion Euros, employed close to 20,000, and managed activities in over 40 countries. (Gupta & Sharma, 2022) At the forefront of the clean energy sector, they have allied with major international organizations including the United Nations (UN) through the Paris Agreement on climate change. As well as the Organization for Economic Cooperation

and Development (OECD) through following the OECD Guidelines for Multinational Enterprise (FCC, 2021). Fortum's strong ethical guidelines, seen through their commitment to the environment, transcends across major aspects of business, particularly the way they treat their workers. Within their Code of Conduct, they follow and respect many historically important initiatives and agreements such as the International Bill of Human Rights (adopted in 1948), the Core Conventions of the International Labor Organization (ILO), the UN Guiding Principles on Business and Human Rights and the UN Global Compact (Gupta & Sharma, 2022). All are complimentary to Fortum's own Values and International Code of Conduct, which is recognized by all Fortum subsidiaries across the globe (Fortum FCC, 2021).

Fortum India, a subsidiary of Fortum, was founded upon Fortum's entrance into India in 2012 as their first venture into the solar market (Fortum Recovery, 2022). Establishing itself as a leading sustainable energy producer in the country during its tenure. Developing solar plants, operating EV charging points, and achieving breakthrough innovations in the production of biofuels, while also finding ways to mitigate NOx emissions deriving from power plants (Gupta & Sharma, 2022). Helping get accomplished through Fortum India's focus on upholding the core values of its parent company: curiosity, responsibility, integrity, and respect (FCC, 2021). This anchorage to the parent company's values contributed to Fortum India defining itself as a trailblazer in India including parental leave above that required by Indian law. Going in line with Fortum's overall International Code of Conduct grounded on the values of "treating others with respect and doing business and engaging with the world responsibly while providing a transparent means of voicing concerns." (Gupta & Sharma, p.4) Fortum subsidiaries are expected to uphold the values of the parent company in everything they do. As representatives of the brand to these more local markets, Fortum has been able to build and grow its international representation and Fortum India is no exception.

To understand Fortum India's current situation, it would help to understand the evolution of the use of clean energy to combat climate change and the actions the Indian government has taken to push this shift. India is the second largest country in the world by population (Worldometer, 2023), making its movement towards clean energy sources a priority if it hopes to reduce the already induced global impact caused by anthropogenic climate change. Causing a prioritization for the shift to renewable clean energy sources. Clean energy includes energy sources such as wind, solar, and hydro among others. The manufacture of thermal energy (such as solar) is seen as a major way to ween off the reliance on burning fossil fuels, as burning fossil fuels to produce thermal energy at the time accounted for 90% of all carbon dioxide emissions. While goals such as the United Nations Sustainable Development Goals prove ambitious as it strives to provide clean energy to every household by 2030. The cost of electricity from solar power fell by 85% between 2010 and 2020 (Gupta & Sharma, 2022). With cheaper prices signaling the increased affordability to produce solar energy plants, India has stated their commitment to fostering this change.

India itself has the third largest solar energy program in the world behind only China and the United States. India in 2019 announced that by 2030 it had set a target for its renewable energy capacity to be 500 GW. Expecting to achieve this target by greatly increasing its solar and wind capacity. India exemplified this commitment to solar energy from 2014-2019 with their capacity growing more than 11 times, going from 2.6 GW to 30 GW. Additional solar energy projects have been underway and the auctioning of additional large-scale solar capacity by the government in 2020 made India a burgeoning market for solar energy capacity producers (Gupta & Sharma, 2022). Incentivizing clean energy companies like Fortum to invest in India, in hopes of expanding its business ventures and providing services to this crucial hotspot of the clean energy sector.

Fortum India's activities included in December 2019, an acquisition of land to build a 250-megawatt (MW) solar plant in the city of Jaisalmer, located in the Indian state of Rajasthan. This would be the first solar plant to be built in Rajasthan (Gupta & Sharma, 2022). Construction had been underway when on March 11th the World Health Organization (WHO) declared COVID-19, which had already resulted in more than 5 million cases and spread between more than 200 countries, a pandemic (Gupta & Sharma, 2022). Creating serious consequences for the global economy, Fortum India notwithstanding. Since the solar project is tied to a PPA with the state of Rajasthan, the timing of the pandemic could not have been worse. The PPA includes an agreed-upon 18-month deadline from concept to commissioning. With the suspension of construction due to the pandemic, Fortum India's ability to complete the project on time has been put in serious jeopardy. Additionally, any increased costs associated with the pandemic could hurt Fortum India's ability to supply solar power at the agreed-upon price in the PPA. The immediate risks of not being able to fulfill their contractual obligation are compounded by other factors that could not be fully realized until the pandemic matured.

A major assumption for the construction of the project was the availability of workers, especially low and unskilled migrant workers, who are cheap to employ and readily available. Although as a result of the pandemic, many of these migrant workers started to travel back to their original residences in other states. Leading to on April 30th an unfathomable reverse migration, estimated to impact 450 million migrant workers, creating a state of chaos that was broadcasted nationally for the country to see (Gupta & Sharma, 2022). A major cause of this reverse migration was the status of migrant workers living outside their home states. Under Indian Law, a migrant is someone whose registered address and current address correspond to a different state. This results in access to important government schemes and basic rights being lost, including no longer being covered by labor laws (Gupta & Sharma, 2022). For Fortum India, this was cause for tremendous

concern since at peak operations the number of construction workers being deployed was planned to be 800, with the expectation that new laborers would be continuously cycled into the workforce from various states (Gupta & Sharma, 2022). Leaving question marks surrounding Fortum India's ability to meet their deadline if they were to experience a shortage of labor. As well as potentially raising the costs of construction due to a lack of availability of cheaper migrant labor. Government policy helped play a role in this reverse migration which is why monitoring government response is another essential function for a business operating within a given country.

India operates under a federalist system, meaning The Government of India represents the national part and the Government of Rajasthan represents the state level. Everyone in India is subject to the legislation of the Government of India, with state governments having the autonomy to operate their states within the national framework. The major relevant government actions took place in early 2020 during the early stages of the pandemic. Starting on March 24, the Government of India enforced a nationwide lockdown. On March 25, they loosened those lockdown restrictions for essential services like power generation. On April 11, the Government of Rajasthan announced the allowance of 12-hour workdays at factories within the state for three months. Then on April 15, the Government of India in the face of an extended national lockdown, allowed for the resumption of construction of renewable energy projects (Gupta & Sharma, 2022). Meaning Fortum India, as of April 15th, could resume construction of the solar plant in Jaisalmer utilizing a twelve-hour workday if they chose to. Although in responding to Covid, Fortum India did not only do what was legally required of them.

Before April 15 Fortum India had been developing a response to the pandemic as the seriousness of the situation truly started to present itself. During the initial stages of the lockdown Fortum India, in alignment with its values, employed a proactive response to the increasing threat. Allowing them to register zero Covid cases until April 2020 on its sites and facilities. Their

response included creating Covid task forces to support the emotional well-being of employees. Providing proper personal protective equipment (PPE) to keep employees safe. Smoothened the transition to working from home by working to provide living arrangements and health care services with NGOs. Along with providing mental health sessions, introducing a program named “Fortum WeCare” for white-collar employees (Gupta & Sharma, 2022). In taking the initial parts of the pandemic seriously, Fortum India continued to reinforce their core values as a subsidiary of Fortum and must now think about how this response will continue in the long term.

Going forward after April 15, Varinder Singh is set to have a meeting with other lead members of Fortum India to decide how to act going forward. Presented with many different dilemmas and not enough time or information to feel comfortable with any single decision. Here we will now delve into the specific decisions Fortum India can make in response to dealing with the constraints of pandemic operations. Beginning by addressing the suspension of construction caused by the lockdown. Determining whether Fortum India should continue with suspending construction or resume it. Then it is paramount to address the safety of workers whether it be upon resumption of construction or continued suspension. Focusing on the role of safety for both on-site operations as well as addressing the safety of workers at home. Finally, an additional decision must be made on whether Fortum India should decide to employ a twelve-hour or eight-hour workday which would be at odds with its International Code of Conduct. To understand these decisions, we have assessed the advantages and disadvantages for each of them. Then we conducted a SWOT analysis to identify the pertinent information to succinctly provide the internal strengths and weaknesses as well as external opportunities and threats of each to come to the “best” solution in an otherwise unwinnable scenario.

Table 1: SWOT Analysis: Laila, Edward, Chandler

Strengths	Weaknesses
<ul style="list-style-type: none"> • Twelve-hour workday reduces labor costs associated with higher expenses such as PPE and benefits? • Eight-hour workday increases productivity with lower shift durations. • At-home worker safety decreases off site exposure, as well as on-site spread of the virus. 	<ul style="list-style-type: none"> • Twelve-hour workday presents health and safety concerns for workers and risks of worker error with chance to hurt project completion • Eight-hour workday creates a higher number of workers on payroll, increasing employment and training related costs.

<ul style="list-style-type: none"> • Suspending construction during the pandemic can help the company gather more data in terms of exposure and time. 	<ul style="list-style-type: none"> • At-home worker safety incurs added costs and decreases focus on the project on-site. • Having worker safety on site can become expensive and raise project expenses.
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Twelve-hour workday provides individual migrant workers additional opportunities to earn more income to support themselves and their family • Eight-hour workday maintains company values of responsibility and respect to workers, while giving more flexibility to cover shifts. • At-home worker safety increases production and corporate CSR. • Worker safety on site is attractive for employees and lead to higher employee retention in the long run. 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Twelve-hour workday could be cause for international criticism impacting stock price • Eight-hour workday causes higher risk for virus outbreak and decreases worker safety and health. • At-home worker safety causes unneeded distractions and cuts into the budget of the project, creating a system totally reliant on independent workers actions. • International brand criticism for not being reliable in foregoing construction especially if other company plants continue operations

Decisions

Suspend Construction: Laila

If the construction was to be suspended during the pandemic, there is an increased time to deliberate the actual response to the situation which might benefit the project as a whole. To add on, there would also be the ability to gather more data about the severity of the pandemic which can hopefully give a clear outlook about what life will look like going forward and the best way

to go about it. Finally, a strength that can be given if the construction is suspended temporarily can help eliminate the risk of contagion and spread by employees, which will result in helping to mitigate outbreaks and promote the health and safety of the workers being exposed to a potentially deadly virus which can show the public how well the company prioritizes the health of their employees. Even though there are plenty of strengths, there are also weaknesses that Fortum India can face if they decide to suspend construction due to the pandemic can be the project resulting in a direct reduction of job opportunities for migrant workers to earn a secure income and increase the need to partake in the reverse migration happening all over the continent. The case highlights that 453.6 million migrant workers were affected by the pandemic and reverse migration in India, this number only to grow with suspended operation. Additionally, every day operations are suspended results in increased project costs. To add on, Newly unemployed migrant workers will be subject to the additional risks associated with the reverse migration that the already stressed Indian government is not prepared to handle.

On the bright side, by suspending operations Fortum India presents itself as understanding the human factor of the pandemic, showing their commitment to their values in prioritizing the health and safety of its workers. Considering the company will face financial challenges because of lockdowns and suspension of operations. Practicing CSR provides an economic opportunity for Fortum, in a recent ROI study done by Babson College showed that benefits from Corporate Social Responsibility efforts increased a company's market value up to 6 % and stakeholder value by \$1.28 billion over a 15-year period. The study also showed a reduction in systematic risk by 4% (Stern, 2022). Regardless of having countless opportunities, If construction were to be suspended due to the pandemic, some of the threats that Fortum India might face could be that the Government of Rajasthan could potentially react negatively to Fortum India's project as the increased costs would raise the price of the power agreed upon in the PPA. In addition, both the state and national

governments have made special exceptions for solar projects to resume activities, signaling their expectations that economic activity resume. Another threat that the company might face is that their international brand could face criticism for not being reliable in foregoing construction especially if other company plants continue operations. Finally, from a utilitarian perspective that suspending construction of the plant does not create the greatest good for the greatest number. As continuing construction utilizing migrant labor might subject them to serious health risks, potentially death. This sacrifice is trumped by the overall good of being able to complete the solar plant providing clean energy to millions of people in India and help mitigate the onset of climate change.

Continue Construction: Laila and Edward

If there is a continuity of construction during the pandemic, the project can be finished during the scheduled time. The strength of finishing the project on time can reduce the costs associated with prolonged suspension which can be avoided if the construction is continued regardless of facing a worldwide pandemic. Having the construction be continued can also help Fortum India begin their solar plant sales earlier and earn their desired sales sooner rather than later. Suspending the construction can prolong the business beginning to run which delays the possibility of recuperating their investment quickly. Also, Fortum India has previously shown up until April 2020 that they could properly handle the virus, with zero COVID cases across its Indian sites at the time. The company deploying its own task forces to improve the physical and mental well-being of its employees during a difficult time was instrumental in this. The precautionary measures taken by the company would give a much higher likelihood of project success.

If there is a continuity of construction during the pandemic, there is a risk of having Covid being spread among workers which can potentially cause a lack of availability with the workers. Continuing construction can also potentially add more expenses in sanitary rules in order to keep the safety of the workers. Workers can also demand Personal Protective Equipment which will also add costs to the project due to the uncertainty and severity of the pandemic. Overall, workers will become more expensive due to the fact that the pandemic is adding extra safety costs such as sanitary procedures and PPE equipment while also asking for potential compensations for their work during a world epidemic.

Some of the opportunities that can be presented if construction is continued regardless of facing a pandemic is that it can provide employment for migrant workers. The pandemic caused many migrants to look for potential work opportunities due to their lack of employment which can be easier for the company to find the workers needed quicker. With the suspension of work of many other low skill workers in the area, there are many of the workers that are needed for Fortum India's project still in the area looking for work. Continuing also helps Fortum India stay consistent with UN's SDG aspirations to provide clean electricity to houses around globe by 2030. By continuing construction Fortum India can further align themselves with development goals and show environmental and social responsibility to provide the world with more clean energy sources as soon as possible. On the other hand, there are potential threats that Fortum India can go through if they continue construction during the pandemic. These threats include further lockdowns where they could be possibly obliged to suspend their operations of construction in undesired timings. To add on, there is also the risk of having an outbreak in India at an unexpected time where it could affect the workers and slow down the project during the scheduled time. Finally, if Fortum India keeps the construction going, it could add public pressure to the project in a negative way for the sole purpose of putting workers at risks during the Covid Pandemic instead of taking safer

measures or deciding to start the construction in a future time when sanitation is safer and the epidemic is mitigated.

Worker Safety on Site: Laila

There are strengths that come with having worker safety on site if there is Proper Protection Equipment and proper cleaning, workers would be able to work feeling safe while also feeling cared about from the company which can later lead to having a higher employee retention, and higher employee satisfaction and public approval of the company using the right procedures and care for the workers. However, there are numerous weaknesses that Fortum India could face when worker safety is applied on site such as being susceptible to outbreak even though if there is the safety parameters provided that can still put the project behind. Finally, the costs that Fortum India could face if they provide pandemic safe conditions can ultimately be higher and make the project more expensive.

On the other side, there are also opportunities that Fortum India can face if there is worker safety on site would be that the public would be aware of how careful the company is with their employee care. This could also potentially attract more employees demanding to be a part of the project. Finally, having worker safety on site would show care for workers in maintaining high safety standards. Even though there are many opportunities, there are also threats that the company could face with having worker safety on site while continuing the project during a dangerous time such as having the exposure of worker stress from the pandemic. Another threat would be that having worker safety on site during the pandemic can rise the costs of PPE with the uncertainty of what the pandemic could lead to in the future.

At-Home Worker Safety (Outside of Work): Edward

Educating and keeping project workers safe and healthy outside of work can be advantageous to Fortum India as it will lower the chances of workers bringing the virus onto the worksite and spreading it to others. Educating workers on various diseases and COVID-19 will show them how to handle themselves and protect against getting themselves sick around their family and friends. Providing workers with masks and test kits allows them to properly protect themselves outside of work and decrease possible exposure. Worry free and healthy, workers productivity will increase, and project goals will be more likely to succeed with these resources available to them.

Opportunities for Fortum India in providing at home safety for their employees are improving CSR and employee relations throughout their workforce. Fortum India possibly providing accommodations such as housing to migrant workers would show initiative in supporting their workers and provide stability in highly stressful and unstable times. Providing test kits and masks to workers would show the companies care for their workers and allow workers to stay and work because of their good health. These actions improving the companies CSR and employee relations by providing accommodations and keeping workers safe from transmission of the virus with proper housing and materials.

However, increased costs come with providing this at home safety and training for workers. Money on various supplies and time for training can cut into profits and the timeline of the project. Too big of a focus on safety at home can cause the threat of distraction for workers and decrease productivity on the project. Shifting the focus away from the project could lead to changes in employee behavior and struggles completing at the project deadline. Resources that could be used on the project are instead wasted on inefficiency and distraction in this case, costing Fortum India wasted time and money.

Eight-hour workday: Edward

When weighing the upside of an eight-hour workday the most important factor is the lowered shift duration for workers. This factor has been shown to improve productivity in all industries. A 2014 Stanford study suggests that productivity hits a sharp decline after 50 hours a week, 35 hours being the optimal amount of time (Lufkin, 2021). A 40-hour work week, which results from the 8-hour workday suggested, sets up each worker to be more productive and increases their marginal benefit. An employee being more productive per hour over a period will decrease product costs and increase ROI for Fortum India. A potential positive byproduct of lower shifts and increased productivity would be happier workers. Increased labor relations within and worker happiness will lead to a decrease in turnover and be beneficial to the project goals.

Following an 8-hour workday schedule, Fortum India reinforces their dedication to core values by maintaining adherence to international labor laws they follow. Showing that no matter where Fortum operates they will maintain and uphold their company values of responsibility and respect, even in such circumstances as unprecedented as a pandemic. Continuing their great employee practices, which were recognized as one of the country's best even before the pandemic, will attract workers and increase productivity. Utilizing three eight hour shifts instead of two twelve-hour shifts to have constant operations also will have workers feeling less fatigued since they are able to work shorter shifts and a larger workforce can help make up for unexpected call-offs and easier ability to cover shifts due to an outbreak or contagion during the pandemic where the company might face more health related problems than they are used to in their projects.

Unfortunately, the utilization of an eight-hour workday requires Fortum India to have 33% more workers on payroll, resulting in larger costs associated with employment expenses. Greater expenses in terms of producing PPE and amenities for taking care of migrant workers could be induced. As well as additional costs for supporting an increased number of worker's families,

should they choose to provide at home assistance. Training costs will increase along with these, and less training and the higher multitude of workers could lead to mistakes on the job site that could be detrimental to the project timeline.

The employment of a larger workforce could overall hurt Fortum India's ability to limit exposure and contagion to the disease. COVID is passed at a high rate from person to person and the higher number gathered and in a single workspace could lead to increased cases and possibly deaths within the workforce. With so much uncertainty and risk at this time with the pandemic, the future is unknown in relation to human health. Increasing the work force size would become a bigger threat if the pandemic were to continue to grow and become more dangerous. The higher number of workers leading to outbreaks and facility closures could be damaging to the project.

Advantage and Disadvantages of Twelve-hour Workday: Chandler

The utilization of a twelve-hour workday provides unique advantages for Fortum India and upside for select workers. For Fortum India this would allow for a reduction in the total labor force. This reduction in the number of employees will create less overall exposure potential to Covid and reduce the expenses associated with PPE and at-home assistance. This reduction can help account for issues faced due to reverse migration in finding cheap migrant labor. As well as provide a basis for a reduction in wages due to a lowered demand for labor.

The practice of a twelve-hour workday does also allow for increased work opportunities for individual workers. Providing migrant workers with the chance to earn more income to support themselves and their families. Since migrant workers lose many protections under the law due to their migrant status, such as support through social safety nets, a greater opportunity to work for some could be very beneficial. This is especially important during the pandemic where

employment and finding sources of income are becoming increasingly scarce due to their status as unskilled workers.

Although increasing shift durations to twelve hours presents real disadvantages when it comes to workers' health and safety. There are health consequences associated with longer shifts with those working more than 10 hours a day or 50 hours a week having an increased likelihood of experiencing occupational health problems than those who work under this threshold. (Wong et al, 2019) This is without considering the nature of the work these migrant workers will be subject to having to construct the solar plant requiring intensive manual labor in hot conditions. The physical and mental impacts of work for such extended durations present real issues, compounded with time spent working having effects outside of work.

When it comes to longer working hours the problem to be most concerned about is short sleep duration. (Wong et al., 2019) Outside of work people need time to handle and manage the responsibilities of life. Especially when it comes to balancing family responsibilities and taking care of children. If such responsibilities are essential, an opportunity to sleep must be sacrificed. Accompanied by workers simply wanting to have more free time to promote their rational capacities and enjoy themselves, the sacrifice of sleep at the time seems like a worthy option. Migrant workers are also an already vulnerable population in India especially when it comes to mental health. The uncertainty migrant workers face is one that can only be understood through their lived experience. As they face economic instability and job insecurity faced due to their low-skilled labor status and social exclusion upon migration. Also losing certain social protections and potentially religious practices. This is all without considering the adverse consequences of the pandemic and its isolating nature because of restrictive lockdowns imposed by the Government of India. This inability to seek refuge outside of work by being with others can lead to loneliness which increases the risk of worsening anxiety and depressive symptoms. (Zhou et al., 2020)

There are negative consequences for Fortum India as well regarding the potential flack they could face within the international community as a multinational corporation. Employing a twelve-hour work schedule is in direct opposition to the UN Global Compact, a document Fortum follows as stated in its Code of Conduct. Therefore, as a subsidiary of Fortum, Fortum India could damage the international reputation of the company by using such inhumane labor practices subjecting to criticisms and that could reflect itself in its stock price.

Solutions: Chandler

Having addressed the many different decisions, we will next explain our solutions. Creating our solutions, we find it essential to elaborate upon what a successful business is understood to be in today's age, and who Fortum understands itself to be. The role of business executives and their responsibilities to their stakeholders is a contentious topic, and varying streams of thought will produce conflicting responses. A staunch neoclassicist like Milton Friedman will argue that the executives within an organization have a fiduciary responsibility to shareholders and therefore should act strictly in the best interests of the shareholders. Indicating the successful performance of a firm is directly tied to the profitability of the business, therefore the decisions made within it should align with those interests (Friedman, 1970) The consequences of such decisions based solely on the bottom line tend for the interests of workers and additional stakeholders (such as the climate) to be largely ignored. This stricter interpretation of the role of those within a business in more recent times has certainly been challenged. Seen through efforts by corporations to at least represent an image of responsibility to stakeholders, outside their shareholders, seen through CSR initiatives. As well as the trend of Environmental, Social, and

Governance (ESG) investing. A framework for investment decisions directly tied to a criterion intended to promote more socially responsible investing. Demonstrating a historical shift within the operations of business towards a more heightened care for society at large.

We look at other approaches for ways businesses can work to behave in responsible manners such as the values put forth by Mahatma Gandhi in his Principles of Trusteeship. This could be helpful in the way Fortum India views the case, especially in India where many of these values are based. Gandhi's focus would be on four main criteria in this case. These would be sustainable consumption, utilizing sustainable natural resources, the dignity of labor, and sustainable livelihood. The ethics of the case and following sustainability goals would affect both the environment and workers in each outcome. Balancing the ethical goals set forth by Gandhi, with the project's possible outcomes on the environment and the workers it employs.

With these competing thoughts of how a company should behave, the company itself must ultimately come to that conclusion. A company's ethos is based on the decisions it makes and the environment it fosters. One might say companies should act ethically, but ultimately why should a company act ethically if there are no negative material consequences to them for doing so? That is a question only the company itself can answer since it will be the one that has to live with the ramifications of said decisions. In business, ethics are not a law but a virtue. There can at times be financial incentives to act virtuously, just as there might be financial disincentives to maintain a standard above the law. Leading us to conclude Fortum India must decide who they want themselves to be. To uphold the standards of Fortum going above the requirements of the law, as seen through their extended parental leave. Or blankly capitulate to the demands of their business objectives at the expense of their workers who they claim to protect and care for. Based on this understanding of how Fortum presents its ethos to be through its physical actions and its code of conduct we have come up with the following solutions to address the many issues arising within

this case. Addressing how to best go about handling these business objectives while doing the utmost to stay true to their values.

Fortum India should continue construction of the plant due to the burden of not doing so being too great as it relates to the PPA with the government of Rajasthan. Although in continuing construction they must uphold stringent health and safety standards for their on-site operations and provide ample support and care for their workers at home. This care includes making the decision to utilize an eight-hour workday for its construction workers as opposed to the twelve-hour workday legally allowed by the state of Rajasthan. We believe this is the best course of action to follow through with the PPA agreed upon prior to the pandemic upholding Fortum's reliability as a clean energy producer. While also maintaining its international reputation and its core values as a champion of workers' rights. We will provide further justifications for our suggestions as follows.

Given the PPA Fortum India has with the Government of Rajasthan, it is greatly advised Fortum India resume construction of the plant as every day the plant is suspended creates a greater burden of sunk costs. Hindering Fortum India's ability to successfully comply with the PPA as they are contractually obligated to meet the deadline and provide the energy at the agreed-upon price, risking future business dealings if they do not. The legalized resumption of industries related to solar construction also indicates the expectations the Governments of India and Rajasthan have for the solar project being completed. The completion of the plant will provide an overall social good allowing for a greater solar energy capacity within the region.

There are the additional costs of PPE and care for workers which we will also recommend. The cost of not continuing construction will heavily outweigh this in terms of the effect this will have on the price of power and completing the project on time. In resuming construction, we acknowledge the potential issues of putting the company's reputation on the line by operating quite

prematurely in a pandemic. Given this ethical gray area, we account for this in our suggested actions upon the resumption of construction, especially worker safety.

The assurance of safety for workers should be at the forefront of Fortum India's agenda upon resuming construction both on-site and at home. Fortum India was already way ahead of the curve when it came to supporting its labor force prior to the allowance for construction on April 15th. Seen through previously mentioned programs such as "Fortum WeCare". Fortum India should require all non-essential workers, particularly those not associated with the physical construction of the plant to work from home. This provision will mainly impact white-collar employees. "Fortum WeCare" can provide a way for these at-home workers to receive help in balancing life in lockdown during the pandemic. We also suggest expanding this program to migrant workers at home as well, so that when they are working, they still have the capacity to talk to someone and receive help.

Fortum India needs to continue working with NGOs and developing programs to help provide shelter for migrant workers. Working through NGOs can help mitigate costs associated with running the entire operation themselves as well as these NGOs are already experienced in providing these essential services. Fortum India should make investments and maintain contact with the NGOs they are working with and ask them what they might need or recommend for assistance. Fortum India can provide funding for certain services as needed, such as PPE, food, and clothing.

In terms of on-site work, Fortum India must do everything else it can to show they are operating in the safest and most responsible manner. This means providing work conditions suitable for operations during a pandemic that attempts to minimize the contagion and spread of COVID-19. The project, being the construction of a solar power plant, presents some benefits when handling the spread of the virus on-site. Most of the construction is done outside helping

limit prolonged exposure to the disease and allowing for constant fresh air circulation as compared to indoor settings. At the time of the resumption of construction the ways Covid spread was relatively unknown, with the lower risk of the spread of the virus through surfaces not being truly understood until months later. (Lewis, 2021) We suggest workers be provided with proper PPE such as masks and gloves to minimize the spread of the virus through surfaces such as tools and equipment even in an outdoor setting.

Shifts should be scheduled so employees on the next shift work on a different part of the project than those who worked the previous shift. Such as constructing solar panels at different parts of the plant. This will allow for the ability to conduct deep cleanings on areas of the project that were just worked on and mitigate contact between employees when shifts switch. Additionally implementing staggered shifts where at the start of a shift assigned groups of employees are expected to come in at different fifteen-minute intervals over the duration of an hour to prevent contact upon arrival to work. This process can also be employed at the end of shifts. This level of preparation and management cannot be done without the workers understanding what is at stake and how important these measures are.

Making the knowledge of workers an essential component to ensuring health and safety during the pandemic, as the workers will be the ones making decisions that could put them and others at additional risk of contracting the virus. Therefore, we suggest the continuation of the Covid task force and an overall expansion of its role. They should provide in-person on-site and pre-recorded lessons. Online lessons are preferred, though some migrants may lack access to basic internet and technology. Covering topics such as proper hygiene, this is especially for migrant workers who already are exposed to less sanitary environments. How to properly wear PPE. Provide necessary updates about the latest Covid information such as case numbers. As well as updated breakthroughs in research and understanding of how the virus operates in terms of its

health effects and how it spreads. They should conduct contact tracing should any workers get sick and work to identify close contacts who should quarantine. Having the needed available workers is paramount to construction being successful, therefore everything should be done to maintain their availability.

Given the dire circumstances of migrant workers, the guarantee of a secure job bringing home a stable income can outweigh the health and safety risks associated with working during a pandemic. With the additional health and safety protocols we suggested this should allow migrant workers to feel as comfortable as possible working. These migrant workers are also seeing the uncertainties they will face in trying to travel back to their home states. Tipping the scales towards them staying to work instead of attempting to travel to their home state. Clearing a major hurdle Fortum India was facing in terms of securing a labor force for construction. This then leaves the question of how to go about utilizing the said labor force. We believe this should be done utilizing eight-hour shifts even with the newly acquired ability to use twelve-hour shifts afforded by the Government of Rajasthan. Both sides present clear pros and cons as presented in our SWOT analyses of either decision.

The most important factors came down to upholding Fortum's Core values, with the utilization of a twelve-hour workday being in direct contradiction with the UN Global Compact which they claim to follow. We believe the construction of the project can be completed on time utilizing eight-hour shifts. To do this we recommend running three different shifts, requiring 24-hour construction, to feel comfortable in our ability to meet the deadline set by the PPA. This will require working at night so Fortum India must provide proper artificial lighting to ensure worker safety in darkness. While these conditions for the workers are less than ideal, such as having to change daily patterns to work at night. The opportunity for employment for many leads to this still being an advantageous decision. One which Fortum India should be more than willing to accept,

due to the potential labor crisis that could have been caused due to the reverse migration.

Additionally, the nature of the work played a role in determining whether to use eight-hour shifts. Though the impact of actual worker productivity when working for a duration of 8 or 12 hours is mixed. Activities that are technical and cannot be done improperly should not be performed near the end of a 12-hour shift. (Mitchell & Williamson, 2000) This final consideration is especially important as construction work requires constant attention to detail. Errors have the potential to set the project back, damage expensive equipment, and pose safety risks to other workers. While the decision was not easy and can be understood to go both ways, our faith in the ability of the project to get done based on our plan led us towards the decision to utilize eight-hour shifts.

By acting in this manner, we suggest Fortum India will be able to fulfill their legal obligations and go beyond the call of duty to act in an ethical capacity showing their true adherence to what they say they are. The solutions we have chosen to provide a path where Fortum India can still uphold their international reputation as a top clean energy company grounded in its values. While some sacrifices still had to be made in terms of having to expose workers to potentially contracting the disease through on-site construction, our plan works extensively to mitigate these risks. Additionally, it provides a means for employees to live an existence under the pandemic that prioritizes their safety and overall well-being outside of work. We believe this plan can work to where Fortum India can prove to be a beacon for India and the world in how to handle operations during a pandemic, showing business can be done in an ethical and responsible way.

Fortum's Actions: Edward

Fortum India was able to successfully complete construction of the plant on time despite the global pandemic. A release from Ingo Alphéus, CEO of Belectric Solar & Battery GmbH who were commissioned for the project, reads "Because of Covid-19, it was not a given that we

would be able to get this solar farm online on time. But our Indian team has overcome all challenges and we were able to deliver this new 250 MWac solar plant for our customer Fortum, safely, on time, and with a quality build.” The plant has continued to run successfully to date since its completion. Equipped with over 40% bifacial high-performance modules, which harness twice as much energy as traditional modules, the plant has been successful in helping Fortum reach its sustainability goals and bring power to Rajasthan and the rest of India (Gupta, 2021).

Fortum India was able to safely continue construction and complete the solar project in India during the pandemic due in large part to their proactiveness in developing a task force within the corporation to ensure the safety and wellbeing of their workers. The task force comprising experts from security, healthcare, communications, risk and compliance, and many other departments allowed Fortum India to face the challenges that the pandemic brought in a streamlined and efficient way. Fortum Group details that their task force supported business functions and their solar project by communicating lessons and best practices of the pandemic to employees, maintaining situational awareness of the pandemic, following up on requirements of local authorities, giving medical updates, and ensuring safe work arrangements at project sites. Communication in the form of Q&A sessions with employees and newsletters allowed Fortum India to successfully communicate with its workforce about the pandemic (Fortum Group, n.d.).

Concerning on-site safety in Rajasthan during the project, Fortum India implemented various precautionary measures that allowed them to keep workers safe and finish the project on time. These measures included arranging staggered arrivals as well as breaks and lunch hours, maintaining physical distance, encouraging face masks on-site, and organizing enhanced cleaning. Hand disinfectants, face masks, protective gloves, and disinfectant cleaning wipes were provided at the Rajasthan construction site for workers throughout the project.

Fortum India signed an agreement in 2021 to divest two solar plants, one being the plant in Rajasthan, to a UK-based investment company Actis. They sold the two plants for 280 million Euros, allowing Fortum India to use this money to invest in future energy projects. Fortum and Actis also signing a comprehensive agreement to target further investment in solar power plants throughout India (Gupta, 2021). Fortum India's successful handling of the pandemic at its Rajasthan plant and throughout its company allowed them to successfully continue their business functions throughout the pandemic in a leadership style that was both responsible and effective. Maintaining both its profits, as well as its sustainable development goals and corporate values throughout.

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