Management

CORPORATE SOCIAL RESPONSIBILITY: CASE OF TCS

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ABSTRACT

This paper examines how the companies view, and conduct their CSR, and identify key CSR practices. Corporate Social Responsibility (CSR) is viewed as a comprehensive set of policies and programmes that are integrated into business operations, supply chains and decision-making processes throughout the company. The paper deals with CSR initiatives of an Indian IT major-Tata Consultancy Services Ltd.(TCS) against GRI standards. This paper will be useful in deeper understanding about shortcomings and opportunities that CSR practices of various companies offer and need for improvement, if any. The study suggests nurturing people and planet through active involvement of employee volunteering activities. Helping local communities and NGO through CSR activities is more than mere philanthropy.

Keywords: Community, Corporate Social Responsibility (CSR), e-waste management, Indicators, sustainability, water harvesting.

INTRODUCTION

Awareness of the impact of business on society and environment has grown along with the increasing socio-regulatory pressures. This evolution has gradually led business to return the displaced social orientation. Many firms are assuming increased responsibility for both social and environmental well- being. Corporate response to environmental and social issues is progressing through three stages of evolution: profit maximization management, trusteeship management, and quality of life management (*Hay and Gray*, 1977). The business depends on society for its existence, sustenance and encouragement. Being too much dependent on society, business has definite responsibility towards different segments of society. Though profit making is one of the main objectives of business, but it has to satisfy its various stakeholders, viz., employees, consumers, government, community, and shareholders. Over the past few decades, a growing number of companies have recognized the business benefits of Corporate Social Responsibility (CSR) policies and practices.

WHAT IS CSR?

CSR is defined as "*A concept of shareholder, employee, environment, community, government all related to Business*". Companies integrate social and environment concerns in their business operations and in their interaction with their stakeholders on a voluntary basis, as they are increasingly aware that responsible behavior leads to sustainable business success. (*Commission of the European Communities,* 2002). A growing body of empirical studies demonstrates that CSR has a positive impact on business economic performance. Companies going for CSR activities have experienced a range of bottom line benefits, namely, improved financial performance and reduced operating costs (*Agarwal,* 2008), enhanced brand image and reputation (*Agarwal,* 2008), increased sales and customer loyalty (*Creyer and William*, 1997). In Indian context, CSR is not a new concept and can be easily seen in the form of magnificent temples, high mosques, large *dharamshalas* and great educational institutions (*Agarwal,* 2008).

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In 2007 Indian Prime Minister, Manmohan Singh stated that:

"Corporate social responsibility must not be defined by tax planning strategies alone. Rather, it should be defined within the framework of a corporate philosophy which factors the needs of the community and the regions in which a corporate entity functions. This is part of our cultural heritage. Mahatma Gandhi called it trusteeship....I invite corporate India to be a partner in making ours a more humane and just society... We need a new Partnership for Inclusive Growth based on what I describe as a Ten Point Social Charter...first, we need to have healthy respect for your workers and invest in their welfare..." .

The increasing relevance of CSR in India has stemmed from the fact that a business cannot succeed by ignoring the human and social needs of our society. In this age of widespread communication and growing emphasis on transparency, customers of any product or service are not likely to feel satisfied in buying from a company that violates the expectations of ethical and socially responsible behavior. Therefore, the companies that pay genuine attention to the principles of socially responsible behavior are favored by the public and preferred for their goods and services (*Sarkar*, 2005).

COMPANY PROFILE:

Governance

Being a part of the 144-year old Tata group, which epitomizes sustainability, the TCS, have inherited a strong legacy of fair, transparent and ethical governance, as embodied in the Tata Code of Conduct. This is aligned with the ten principles articulated in the UN Global Compact to which TCS is a signatory. The Tata group's Tata Business Excellence Model (TBEM) embodies sustainability as a key aspect for measuring business excellence for group companies, and the results of this are highlighted at the board level. TCS is on the Steering and Working Committees of the Climate Change Group within Tata Quality Management Services (TQMS), which drives sustainability guidelines for the group.

The CEO oversees the company's sustainability strategy and reports on the initiatives and progress at the board meetings. A Sustainability Council has been set up to oversee the implementation of sustainability strategy. The council is led by the head of corporate sustainability and reports to the CEO&MD and the Board of Directors. It comprises the heads of internal IT, HSE, Administration, CSR, Infrastructure Planning Department, Eco-sustainability Services and Human Resources. The goals are determined by the senior management in line with the company's overall sustainability objectives and the performance against these goals.

The Company's initiatives in the community aim to create impact through empowerment so that the people in the community can make a better living and lead a better quality of life. The Company has chosen four areas to focus its energies on namely, Education and Skill Development, Health, Environment and Affirmative Action. Programmes undertaken under these four broad areas are aimed at economically backward and other marginalized groups (like women, children and aged) as well as those who are physically or socially disadvantaged.

The Company's community initiatives are delivered using four different approaches:

(i) Leveraging the Company's core competencies in technology

(ii) Creating conditions for employee participation through volunteering

(iii) Building synergistic partnerships with clients and other partners like NGOs

(iv) Financial sponsorships

TCS' SUSTAINABILITY INITIATIVES

TCS is an organization of more than 250,000 employees and hence infrastructure, facilities, and associates have a large impact on the society and environment. TCS aim to run operations in a socially and environmentally sustainable manner. Therefore, the Company aims to build "greener infrastructure."

TCS' CSR programmes are *"Impact through Empowerment."* TCS has a diverse range of global CSR initiatives in the areas of education, health and environment: volunteering, funding and pro bono leveraging of IT capabilities.

CSR in Education Sector and Skill Building

TCS' *Adult Literacy Programme* (ALP) is among the first instances of use of IT Core Competence for social causes, since 2000, and continues to be a flagship programme of TCS CSR. Since its inception in 2000, the ALP has reached

1,93,625 beneficiaries. In FY 13, the ALP helped in making 11,125 people literate. During the year, in partnerships with NGOs and academic institutions, 473 trainers were capacity built to conduct ALP programmes in Telugu, Hindi, Urdu, Odiya and Marathi. Another programme, Computer-*based Functional Literacy* (CBFL) programme helps teach illiterate adults how to read and write. The literacy software was enhanced to support writing and numeracy in four additional local languages (Bengali, Oriya, Marathi, and Tamil). A total of nine languages are now covered under CBFL. TCS collaborated with Directorate of Adult Education under *Saakshar Bharat Scheme* to run camps in eight languages in India. More than 11,100 adults were made literate using the CBFL software.The Project "Udaan", is a joint and novel initiative by National Skill Development Corporation (NSDC) - Government of India and Special Industry Initiative to help Kashmiri youth join the mainstream of corporate India. Through Project "Udaan", TCS endeavors to catalyze the Kashmiri youth connect with Indian industry, coupled with polishing their skills thus making them more employable. TCS has partnered with NSDC in this promising initiative and is the first organization in India to sign the MOU with NSDC. "*Empower*" is another CSR initiative, which provides training of TCS support staff in basic computer skills and spoken English knowledge as well as soft skills. *Empower* was expanded from Lucknow to Pune & New Delhi. 131 candidates were trained under this programme.The pogramme *InSight*, address school children to develop their communication skills and giving them an exposure to IT Industry.

TCS Maitree, the volunteering arm of TCS is working to deploy a sustainable model to improve education, healthcare and the environment within 5 villages across India. For example, in Panvel India, TCS associates through the Women Empowerment Programme trained 45 women, screen-printing to enhance their livelihood options. 570 children in the village are benefitting through the provision of an infrastructure for clean drinking water at the primary school. Under *mKrishi ,* farmer's knowledge about their crops is enhanced and solutions provided to their problems over mobile phones.The Company also organizes training for visually impaired candidates to improve their employability in IT/ITES industry. TCS has developed a Faculty Development Programme focusing on ITI Instructors of the COPA (Computer Operator cum Programming Assistant) course which will improve the quality of training in the courses run by these instructors. Then, there is TCS Research Scholar Scheme supporting students who wish to pursue PhD in India.

CSR in the area of Health

The primary programmes launched by the TCS are as follow:

1. An integrated Hospital Management System along with IT infrastructure including a comprehensive and fully integrated, web-based solution has been provided free of cost to the Cancer Institute at Chennai. FY 13 marked the successful implementation of all 17 modules of Med Mantra which were then transitioned to a support mode.

2. *Tata Medical Center* (TMC) has its systems and workflows aided by a comprehensive customized Hospital Management System, developed and running on a state of art IT infrastructure designed and implemented by TCS. In FY 13, TCS provided TMC with pro bono IT services valued at INR 4.2 crores.

3. The *CSR Tech Team* provides to end consultancy and architected comprehensive solutions for social organizations. The focus has been on using technology as a key enabler to assist and resolve business challenges faced by these organizations.

4. *Retina India Foundation* is an NGO focused on patient care for visually challenged (retina related) persons in India. TCS has prepared the prototype for a National Retina Disease Registry System.

5. *Justice and Care* is an international NGO supporting victims of trafficking. A prototype for the Case Management System for monitoring trafficking cases and collaterals to assist the management team in visualizing the Case Management System has been prepared.

6. *Operation Smile* is an international NGO which provides free surgery for cleft lips, cleft palates and other facial deformities to economically backward children. TCS prepared a prototype for Patient Care System for tracking patients, with visual collaterals.

7. *Impact India Foundation* focuses on reducing disabilities affecting a population of 1.5 million marginalized people through curative and preventive measures. TCS customized and deployed a Donor Management System addressing Impact's donor management needs and prepared a process document for their Community Health Initiative programme. This document has been showcased to the Health Minister of India and has been sent to the Office of the Prime Minister of India.

8. *CHILDLINE India Foundation* works to ensure children's rights and the protection of children. In FY 13, TCS

customized and deployed a Donor Management System addressing Childline's Donor Management needs.

9. Creating awareness – HIV and AIDS awareness programmes were conducted by TCS officials who have formed *Club RED* to drive this initiative.

10. Blood donation camps – These camps are organized regularly across the delivery centers in India and a similar drive was organized in Singapore in association with Red Cross.

CSR in the area of Environment

The primary programmes launched by the TCS in this sector are as follow:

1. Enhancing awareness – Organizing different events to enhance awareness.

2. Reduction of carbon footprint and waste within the organization by following *Reduce, Reuse and Recycle* themes.

3. TCS released 1,428 Turtle hatchlings along five coastal villages in Maharashtra through the marine turtle conservation programme in 2013. In addition, TCS continues to support 270 plant species belonging to 160 genera and 70 families and nurture 117 animal species represented by butterflies, amphibians, reptiles, birds & mammals across our offices.

4. TCS completed the campaign to protect endangered tree species *Adansonia digitata* (Baobab Tree) from woodborer infestation at Yantra Park,Pune.

ENVIRONMENTAL PERFORMANCE:

With a strong focus on energy efficiency, green infrastructure and green IT, TCS strive towards reducing specific energy and carbon footprint. TCS continue to maintain focus on water efficiency and reducing demand on fresh water through wastewater treatment and closed loop recycling. Effective waste management aligned to the 3R principle, TCS aspire to become zero waste discharge at all their campuses. These features are an integral part of their green campuses which are designed as per LEED Green Building Standards. Compliance to all relevant environmental laws, acts, rules and guidelines is monitored on an ongoing basis across all TCS sites. 77 TCS locations are certified for Environment Management System (EMS) under ISO 14001:2004 with an ongoing commitment to bring additional software development centers under scope of certification.

Rainwater Harvesting: In order to achieve water sustainability, various efforts are made & implemented by TCS in its owned premises and in leased premises wherever feasible. The rain water harvesting structure is an important feature of building design in the form of roof top collection system, recharging to bore wells, construction of recharge trenches, recharging pits, and water bodies for storing rain water.

Waste Management

Being an IT services and consulting organization, there are no significant primary emissions or process wastes. Wastes include electronic and electrical waste (E-waste) and a small proportion of regulated wastes like lead-acid batteries, waste lube oil, etc. The waste management practices seek to reduce the environmental impact of waste streams to the extent possible by reduction in generation, segregation at source and proper management to achieve the ultimate goal (long-term target) of <5% waste to landfill.

At TCS, environmental initiatives are seen as part of the overall operational and infrastructure improvement and the expenditure is not tracked separately. Capital expenditures like green building projects or operating expenditures like monitoring and measurement costs, investment in energy efficiency projects, compliance fees are included as a part of the operational budget for the facility.

ENHANCING EMPLOYABILITY AND TO CREATE EMPLOYMENT

TCS engage with associates creating environmental awareness and sensitizing them towards nature and conserving its various resources. The training methodologies used range from induction training to continuous learning to awareness mailers to various campaigns and competitions on environment. The total training man- hours imparted on health, safety and environment was over 240,000. We also have an ecology club under the employee engagement forum *Maitree,* where associates come together and engage in various activities like clean-up drives, awareness sessions, road-shows, tree plantations drives, sapling distribution, etc.

Some of the days observed include World Earth Day (April 2012), World Bio-diversity Day (May 2012), World Environment Week (June 2012), Green Consumer Day (September 2012), World Wildlife Week (October 2012), Pollution Control Day (December 2012), Energy Conservation Day (December 2012), World Water Day (March 2012), Earth hour campaign (March 2012).

Global TCS' Initiatives

Some of the initiatives include the following:

Table 1

Region	Sustainable Community Initiatives
India	Adult Literacy Programs
	University Alliances
	TCS' BPO Employability Program
	Academic Interface Program
	mKRISHI
	WebHealth Center
	Mansuki
	TCS Maitree village development initiative
	TCS Maitree's Advanced Computer Training Center
	Med Mantra
	InsighT
	Empower
	CSR Technical Team's support to social organizations
North America	First Book Club
	goIT
UK and Europe	Passport to Employability
	UK School Partnerships
	Stepney Football Club
	Today is a Good Day
Asia Pacific	InsighT- Australia
	SINDA Computer Training
	Go for IT!
	Library Program in China
	Operation Smile
Latin America	Environment Leaders
Middle East and Africa	Landmark computer training
	Scholarships at CIDA City Campus
	City Ambassadors Football Club
	Support to Reach for Dreams

Source: TCS Homepage at http://www.tcs.com/about/corp_responsibility/corporate-social-responsibility/Pages/default.aspx

As part of the Tata culture of being a responsible corporate citizen, TCS continuously strive to reduce our ecological footprint by identifying material areas and focusing on each of them strategically. TCS have defined processes and systems in order to identify, quantify and reduce the impacts on the environment, including the carbon, water, energy and

waste footprint. The key pillars of the successful environment management have been senior management commitment and an integrated management systems approach guided by the TCS Environmental Policy. From green buildings to green IT to green supply chain, their commitment is to grow sustainably and also help customers achieve sustainable growth through green solutions and service offerings.

Awards and Recognitions:

Key awards and accolades received by TCS in the Year 2011-12 across the three pillars (Sustainable Operations, Corporate Social Responsibility, and Solutions for our Customers) are listed below:

- Ranked #1 in the Carbon Disclosure Leadership Index 2011;

- Ranked World's 7th Greenest Company in Newsweek's Green Rankings Global 500 List;

- "Platinum +" Status globally in the Corporate Responsibility Index 2011 in an external review carried out by BiTC;

- Achieved the BBBEE (Broad-Based Black Economic Empowerment) level 2 certification by the Government of South Africa;

- "Platinum Label" in Low-carbon Office Operations Program (LOOP) from World Wildlife Fund for TCS Hong Kong;

- Highly commended at the Coffey International Awards in the Community Awards for Excellence in Category for Adult Literacy Programme;

- Certificate of Appreciation' from the American Red Cross for TCS' support to relief efforts in Japan after the March 2011 earthquake and tsunami;

- TCS Yantra Park, Thane, India awarded first prize in Safety, Health and Environment (SHE) initiative in the 'Service Sector' category, conducted by Confederation of Indian Industry for the year 2010-11;

- Won IDG's InfoWorld 2011 Green 15 Award for TCS' PowerIT initiative;

- "Energy Conservation Award 2011" for Lowest Carbon Footprint in the large IT & ITES Company category by the Centre for Sustainable Development and Integrated Green Ventures;

- Certificate for Remarkable Performance from ICC Environment Excellence Award 2012 for Kalinga Park, Bhubaneshwar;

- CII 12th National Award for Excellence in Energy Management 2011 for TCS Seruseri, Chennai;

- 2nd prize in CII WR Safety, Health and Environment (SHE) Award 2011 to TCS Kensington, Powai, Mumbai;

- Special Jury Award 2012 of ITs AP Green Company Award 2012 to Deccan Park, & Synergy Park, Hyderabad;

- Garden Award 2011 from The Mysore Horticulture Society - Lalbagh Bangalore to TCS L-Center, Office Bangalore;

- Greenest Office Award for TCS Hungary in 2011.

The case study of TCS show that the good governance is constituted by transparency, fairness and accountability to stakeholders. The managements of well-governed organizations understand that they are mere trustees managing the affairs of the company in the best interests of the 'true' owners – the shareholders. The Tata group's Tata Business Excellence Model (TBEM), Steering and Working Committees of the Climate Change Group within Tata Quality Management Services (TQMS), which drives sustainability guidelines for the group.

Obviously, this calls for greater symmetry of information between them and their stakeholders. It logically follows then that consistently practicing the best disclosure and reporting practices is simply a way of life in organizations with good governance.The true test of good governance and risk management structures is their ability to withstand the vicissitudes of economic and business cycles.

Employees will think twice before joining companies which do not have good governance practices. Customers will shy away from companies which do not follow the rules, society will not respect companies which do not follow the best practices. It will not be an exaggeration to say that the value of a company in future will be decided by the governance system of a company.

CONCLUSION

Governance will become the key to sustainability in business.At the end of the day, building a large corporation is easy but building one of the most respected corporations in the world and sustaining it over many years is a big challenge. Only those companies that were built on a platform of strong corporate governance will earn respect from its stakeholders and enjoy a more sustainable growth.Hence TCS has chosen the following channels to drive its CSR initiatives:

- Developing innovative solutions to address large-scale societal problems by utilizing IT core competence;
- Volunteering for projects that address the felt need of communities in which TCS operates, while aligning with the core themes of TCS' CSR;
- Participating in community development program championed by our clients;
- Partnering with select non-government and civil society organizations and other government bodies;
- Supporting large-scale causes such as disaster relief or any other cause as determined by the Corporate CSR Council.

The sustainability report by TCS is according to the Global Reporting Initiative for sustainability reporting which is based on inclusivity, materiality& responsiveness. TCS has specific goals and targets against health, safety & environment aspect of performance. The work is performed in compliance with requirement of IPAC code of ethics for professional accounts. This illustrates as an example for the other company to go for these standards and GRI guideline .Audit through KPMG can be done so that impartiality can be maintained. KPMG has systems and processes in place to monitor compliance with the code and to prevent conflict regarding independence.

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REPORT AND WEB LINKS:

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