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Corporate Social Responsibility - A Case Study on TCS

ABSTRACT

Corporate Companies have now become a socially active conduct their CSR activity. Historically companies only aimed at earning profit but due to the increased awareness about social responsibility, CSR (Corporate Social Responsibility) came into power. This paper will identify CSR Activities, there ways of conduct by Tata Group of Companies emerging how it effect on the overall working of the company, their share price, and profit making and how Tata Consultancy Services(TCS) are able to manage their CSR model in an efficient manner. The researcher takes effort to find out the details of CSR model of Tata Consultancy Services(TCS) and activities under taking by them for the benefit of society and hence for the development of society. Tata Consultancy Services(TCS) is the subsidiary of the TATA Group this is one of the most Renowned group of company, due which studying their CSR model is a very fascinating topic of research. The paper will be based on qualitative research.

CHAPTER-1

INTRODUCTION

The evolution of CSR in India refers to changes over time in India of the cultural norms of corporates engaged in CSR activities. Businesses are managed to bring about an overall positive impact on the communities, cultures, societies and environments in which or where they operate. The fundamentals of CSR rest on the fact that not only public policy but even corporate should be responsible enough to address social issues and other social things. Thus companies should deal with the challenges and issues looked after to a certain extent by the states.

In the case of TCS CSR activity is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives while at the same time addressing the expectations of shareholders and stakeholders. Anything that is beneficial for the society can be called CSR and such activity must be shown by company on their website and company should take approval from Board of Directors of the company.

OBJECTIVE OF THE STUDY

- To analyse the CSR practices adopted by TCS.

- To assess the impact of CSR practices on corporate brand building.
- To conduct a comparative study of brand building through CSR practices.

SCOPE OF THE STUDY

This study explores the **Corporate Social Responsibility (CSR) initiatives of Tata Consultancy Services (TCS)**, focusing on their **impact on society, business performance, and brand building**. It evaluates **TCS's CSR activities in education, healthcare, and environmental sustainability**, analyzing how these initiatives align with corporate governance and stakeholder expectations. The study also examines **TCS's CSR spending trends**, strategic approaches, and the role of technology in enhancing CSR effectiveness.

RESEARCH DESIGN AND METHODOLOGY

- **Research Type:** Qualitative in nature.
- **Research Approach:** Descriptive approach.
- **Data Collection:** Secondary data collected from official websites, government sources, newspaper articles, research papers, and reports.

CHAPTER-2

REVIEW OF LITERATURE

1. **Anupam Sharma & Ravi Kiran (2018)** – CSR is emerging as a key field in management research, with Indian firms integrating CSR into their business models.
2. **Porter & Kramer (2011)** – CSR, when aligned with corporate strategy, enhances competitive advantage and business growth.
3. **Carroll's CSR Pyramid (1991)** – Defines CSR responsibilities into four layers: **economic, legal, ethical, and philanthropic**.
4. **Kotler & Lee (2005)** – Demonstrated how CSR improves a company's reputation and strengthens **brand loyalty**.
5. **Freeman's Stakeholder Theory (1984)** – Argues that businesses should consider **all stakeholders**, not just shareholders, in decision-making.
6. **McWilliams & Siegel (2001)** – Highlighted the **link between CSR and financial performance**, suggesting that CSR can drive long-term profitability.
7. **Rangan, Chase & Karim (2015)** – Suggested that CSR should be aligned with **business objectives** for maximum impact.
8. **Visser's CSR 2.0 Model (2010)** – Proposed **transformational CSR**, focusing on innovation and scalability for a greater impact.
9. **Elkington's Triple Bottom Line (1997)** – Encouraged businesses to measure success based on **social, environmental, and economic factors**.
10. **Prahalad's Bottom of the Pyramid (2004)** – Explored how **CSR initiatives can uplift underprivileged communities** by integrating them into business strategies.

CHAPTER-3

PROFILE OF THE COMPANY

Governance

Being a part of the 150-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 of companies, and the results of this are highlighted at the end. 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 take a 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 in both rural and urban area also. The Company has chosen four areas to focus

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

CASE STUDY

TCS SUSTAINABILITY INITIATIVES

TCS is an organization of more than 424000 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 in 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 Program

This Program was launched in 2000 with the intention of making the semi-literate and literate masses of India to literate them in their native language. With their flagship Adult literacy Program, TCS has been playing vital role with the effort of India’s Govt to achieve functional literacy by using its own computer based functional literacy (CBIL) software which is available in Nine Indian and Three Foreign languages which is aimed to protect and strength on education Adults Particularly work in the rural area.

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 100000 adults were made literate using the CBFL software.

CSR in the area of Health

The primary programmes launched by the TCS are as follow:

Digital Nerve Center or DiNC launched in 2017 is digital healthcare platform aimed to overcoming health system challenges to deliver patient certain health care services to cancer affected patients. TCS DiNC has one of the Topmost Cancer Hospital in the country.

- An integrated Hospital Management System TMC has its 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 and Mumbai.

- IT infrastructure designed and implemented by TCS under the Tata Medical Center Management System developed and running.
- 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.
- Those people are visually challenged (retina related) persons in India. TCS has prepared the prototype for a National Retina Disease Registry System. Under Retina India Foundation is an NGO focused on that particular area.
- Operation Smile is an international NGO which provides free surgery for cleft lips, cleft palates and other facial deformities those are economically backward children. TCS also prepared a prototype for Patient Care System for tracking patients, with visual collaterals.
- CHILDLINE India Foundation works to ensure children's rights and the protection of children. TCS customized and deployed a Donor Management System addressing Child line's Donor Management needs.
- 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:

TCS aimed to mitigate climate changes related risks through resonance optimization and impact minimization by focusing on their key area in its campuses.

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. Water management by rain water harvesting
4. Use of Reasonable Energy by reducing carbon emission.
5. TCS completed the campaign to protect endangered tree species *Adansonia digitata* (Baobab Tree) from woodborer infestation at Yantra Park, Pune.

Limitation of CSR Policy

- If company pay more than 2% of net profit then company not provide incentive.
- Carry forward of such an contribution not being mentioned under the provision of CSR. It means if any of the company not able to spend 2% of average profit in any financial year so that expenditure not being carry forward for next year.
- Company does not have adequate profits or is not in a position to spend prescribed amount on CSR activities, the directors would be required to give suitable disclosure/reasons in their report to the members.
- It is not clear whether the Section 25 companies or charitable organizations set up by them would be included towards CSR.
- According to the proposed rules, activities relating to eradicating extreme hunger and poverty; promotion of education, gender equality and women empowerment reducing child mortality and improving maternal health of women.

TCS Spending on CSR From 2016-2019

Sr.No	Category (CSR in India only)	2016-17 (Rs.In Cr)	2017-18 (Rs.In Cr)	2018-19 (Rs.In Cr)
1	Education & Skill Building	90.6	86	39
2	Health and Wellness	88.3	131	292
3	Restoring of Heritage Site	0.2	1	1
4	Environmental Sustainability	0.6	–	3
5	Contribution to TCS Foundation	200.0	172	92
6	Disaster Relief	–	10	7
Total		379.7	400	434

CHAPTER-4

RESEARCH ANALYSIS

TCS implements CSR activities using four key approaches:

- Leveraging technology capabilities.
- Encouraging employee volunteering.
- Building partnerships with NGOs and clients.
- Offering financial sponsorships for social causes.

Key programs include:

- **Education:** Adult Literacy Program with digital learning tools.
- **Healthcare:** Digital Nerve Center for cancer care and hospital management systems.
- **Environment:** Carbon footprint reduction, rainwater harvesting, and conservation efforts.

Interpretation

1. CSR Implementation Strategies by TCS

Findings:

- TCS executes CSR through four key approaches:
 1. **Leveraging technology** to address social issues.
 2. **Encouraging employee volunteering** to promote social responsibility.
 3. **Building partnerships** with NGOs and government agencies.
 4. **Providing financial sponsorships** for sustainable projects.

Interpretation:

TCS's **tech-driven and participatory approach** ensures that CSR activities are **scalable, impactful, and integrated** with business objectives. The inclusion of **employee volunteering and partnerships** enhances **stakeholder engagement and CSR outreach**.

2. Key CSR Programs and Their Impact

CSR Area Key Initiatives Impact

Education	Adult Literacy Program (ALP)	Educated over 100,000 adults using digital learning tools.
Healthcare	Digital Nerve Center (DiNC)	Improved cancer care and healthcare efficiency through telemedicine.
Environment	Carbon footprint reduction, rainwater harvesting	Reduced carbon emissions and improved water conservation.

Interpretation:

TCS's CSR initiatives align with India's development goals, focusing on **literacy, healthcare, and environmental conservation**. The **integration of technology in CSR programs** has **enhanced their efficiency and reach**.

3. Financial Commitment to CSR

Findings:

TCS's CSR spending has increased steadily over the years:

- **2016-17:** ₹379.7 crore
- **2017-18:** ₹400 crore
- **2018-19:** ₹434 crore

Interpretation:

The increase in CSR spending reflects **TCS's long-term commitment** to social development. Higher investments in **healthcare and education** indicate a focus on **sustainable impact rather than short-term charity**.

4. Challenges and Areas for Improvement

Findings:

- **Geographical reach** – Some CSR programs **do not reach remote areas**.
- **Mental health initiatives** – Limited focus on **mental well-being programs**.

- **Monitoring and evaluation** – Need for **better impact assessment systems**.

Interpretation:

TCS should **expand its digital literacy programs to rural areas** and introduce **mental health initiatives**. Strengthening **impact measurement frameworks** will ensure that CSR efforts are **well-tracked and optimized**.

CHAPTER-5

FINDINGS

- TCS's Adult Literacy Program has educated over 100,000 adults.
- Healthcare initiatives like the Digital Nerve Center improved cancer care efficiency.
- Environmental measures, such as reducing carbon emissions, have shown measurable improvements.
- TCS's CSR spending increased from INR 379.7 crore in 2016-17 to INR 434 crore in 2018-19.

SUGGESTIONS

- TCS can expand its digital literacy programs to reach remote regions.
- Introduce CSR initiatives focused on mental health and well-being.
- Enhance collaboration with international NGOs for broader impact.
- Strengthen monitoring systems to evaluate CSR project effectiveness.

CONCLUSION

TCS has continuously taking CSR initiatives in the field of Education, Healthcare and environment to give something back to the society. TCS has come up with various unique imitative in above mentioned field. TCS intend to focus more on both aspects the society as well as Environment because both are the essential aspects. 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.

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