

“Corporate Social Responsibility of Indian IT Companies- A Study on CSR Activities of Select Companies”

Silpa.G¹, Prof. D.V Ramana², Dr. T. Narayana Reddy³

¹Research Scholar, Management, JNTUA, Anantapur, Andhra Pradesh, India

²Management, SV University, Tirupati, Andhra Pradesh, India

³Management, JNTUA, Anantapur, Andhra Pradesh, India

Abstract: Corporate Social Responsibility is the universal topic of these days as the exploiting Organizations have a consideration on the globe they use for their business. Companies in western countries do have procedural norms and policy frameworks to deal with the CSR activities, but in countries like India, though there is legal provision to perform CSR activities, many companies do violate and escalate their CSR expenditure. And hence an initiation is emphasized by the researcher to have an in-depth study on the effectiveness of CSR activities by the eligible IT companies.

Though CSR has been practiced in most of the Organizations, there is not much information on to what extent that is being carried out. Even though, clause 135 schedule VII of Company Bill 2013, makes the organizations that are registered under the companies law or any previous laws (Section 1) of (Section-135) having net worth of rupees 500 crore or more or Turnover of rupees 1000 Crs or more or Net profit of rupees 5 crore or more during any financial year to adopt the corporate social responsibility mandatorily and they have to at least spend 2% of its average net profit made during the three immediately preceding financial years on CSR still there is question of to what extent this has been implemented.

This study is mainly focus on the actual theoretical framework of CSR activities happening in the select companies. This also would form the research base for the future research to study the wealth maximization of companies through their CSR activities. The study also works on understanding whether restructuring of corporate strategies happen as per the CSR efforts put up and the impact of CSR efforts and its relevance with competitive advantage of the organizations towards sustainability.

Key words: Corporate Social Responsibility, sustainability, contribution, social and environmental concerns.

I. INTRODUCTION

India, in the last five years, has seen decant and phenomenal growth in various businesses; thus, CSR has a long way to travel. The onset of globalization and liberalization of the Indian economy over that of the last two decades has resulted in the shift of the corporate goals from socio-economic focus towards increasing shareholders value to the welfare of

various stakeholders. A detailed analysis of Indian CSR along with its relevance within the business arena leaves us with some important points to discuss. Thus, it is the requirement of today to judge this excited relationship in the Indian context with association to socially responsible initiatives.

Though CSR has been practiced in most of the Organizations, there is not much information on to what extent that is being carried out. Even though, clause 135 schedule VII of Company Bill 2013, makes the organizations that are registered under the companies law or any previous laws (Section 1) of (Section-135) having net worth of rupees 500 crore or more or Turnover of rupees 1000 crore or more or Net profit of rupees 5 crore or more during any financial year to adopt the corporate social responsibility mandatorily and they have to at least spend 2% of its average net profit made during the three immediately preceding financial years on CSR still there is question of to what extent this has been implemented.

II. OBJECTIVES OF THE STUDY

- To examine the CSR activities carried out by the selected companies.
- To categorize those activities
- To check that CSR activities are followed as per the schedule VII of Companies Act, 2013.

III. CARROLLS'S PYRAMID OF CORPORATE SOCIAL RESPONSIBILITY

According to Carroll (1983), “Corporate Social responsibility involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible then means that profitability and obedience to the law foremost conditions when discussing the firm’s ethics and the extent to which it supports the society in which it exists with contribution of money time and talent.”

Legal Responsibilities refer to the businesses that should not only operate for profit motive but they are also expected to

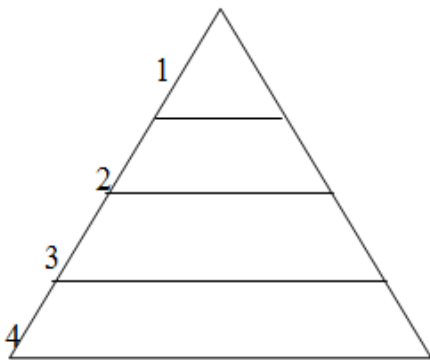
abide by the laws and regulations promulgated by state, local and federal governments.

Ethical responsibilities refer to the legal part and Law does not impose ethical responsibilities, but the government and the society expect them. Ethical responsibilities encompass those norms, standards and expectation that employees, consumers, shareholders and the community regard as fair.

Philanthropic responsibilities focus on improving the quality of life of employees, communities and society. It is fulfilling the charitable expectation of the society, while

Economic responsibilities concerns the responsibility of business of produce goods and services needed by society, and selling them to make acceptable profit.

Fig.1 Carroll's pyramid of CSR



- 1 – Legal responsibilities
- 2 -Ethical responsibilities
- 3 - Philanthropic responsibilities
- 4 - Economic responsibilities

Studied the following companies of CSR activities for this paper

Table 1: Companies whose CSR activities are studied classified based on the type of Industry

S.NO	NAME OF THE COMPANY	INDUSTRY
1	Tata Consultancy Services	Information Technology
2	Wipro Technologies	Information Technology
3	Infosys Pvt Ltd	Information Technology
4	HCL Technologies	Information Technology
5	Mahindra IT Services	Information Technology
6	Mind Tree Ltd	Information Technology
7	Accenture India	Information Technology
8	Capgemini	Information Technology
9	Cognizant Technologies	Information Technology
10	Microsoft Corporation	Information Technology

Source: Computed from secondary data

IV. MAJOR CSR ACTIVITIES IN INDIA

Companies are carrying out many activities as a part of CSR. These activities can be classified using the Carroll's Pyramid based on their nature and Included in Companies Act 2013 clause VII The major CSR activities by Indian companies are taken in the following areas :

- Health
- Education
- Community Development
- Environment

V. A. HEALTH

Health Services are should improve in India especially in villages where lack of adequate basic health services. Companies as a part of CSR should provide health services through medical camps. Activities that are carried out under health include conducting Blood Banks, Providing Hospitals, Donating Ambulance and Mobile Clinics.

Table. 2: Classification of activities carried out by companies in the area of health

Name of the company	Medical Camps	Blood Banks	Providing Hospitals	Donating Ambulance	Mobile Clinics
Tata Consultancy Services		✓	✓	✓	✓
Wipro Technologies		✓	✓		✓
Infosys Pvt Ltd			✓		
HCL Technologies		✓		✓	✓
Mahindra IT Services	✓			✓	
Mind Tree Ltd		✓			✓
Accenture India	✓			✓	
Capgemini	✓		✓		
Cognizant Technologies		✓	✓		✓
Microsoft Corporation	✓		✓		
Total	4	5	6	4	5

Source: Computed from secondary data

Among the selected companies taken for study, all of them focus in the area of health where they carry out activities like organizing camps, running community hospitals, providing mobile health vans, etc. Majority of the companies i.e. four out of ten companies are organizing medical camps and Donating Ambulance. Five out of ten companies Donating Blood Banks and Mobile Clinics and six out of ten companies providing Hospitals.

V. B. EDUCATION

Education programs are aimed to bring positive impacts on the lives of the children by making them realize the importance of education and also to provide educational assistance. CSR activities under education include scholarship

programs, special coaching classes, school infrastructure improvement, co- curricular activities, free education, etc.,

Table. 3: Classification of activities carried out by companies in the area of Education

Name of the company	Scholar ships	Infra structure	Hostel Buildings	Mid Day meals	Vocational Trainings
Tata Consultancy Services	✓	✓	✓		
Wipro Technologies	✓	✓			
Infosys Pvt Ltd	✓	✓	✓		✓
HCL Technologies		✓		✓	✓
Mahindra IT Services	✓	✓			✓
Mind Tree Ltd		✓		✓	
Accenture India	✓	✓			✓
Capgemini		✓	✓		✓
Cognizant Technologies	✓	✓		✓	
Microsoft Corporation	✓		✓		
Total	7	9	4	3	5

Source: Computed from secondary data

Infrastructure to the School is the major activity that has been carried out by majority of the companies in the area of education followed by running scolorship and coaching classes. Infosys carries out the maximum number of activities in the field of education compared to the other companies studied. TCS involve themselves in activities such as providing scholarships, helping in the infrastructural development, and providing buildings and supports in co-curricular activities.

V. C. COMMUNITY DEVELOPMENT

Philanthropic activities carried out by companies that help in improving the quality life of the people such as helping in people to the locality of Income generation, skill development, and better infrastructure. These CSR activities are implemented in the locality where the company operates.

Table 4: Classification of activities carried out by companies in the area of Community development

Name of the company	Work Relief	Income generation	Infra structure	Skill development
Tata Consultancy Services	✓	✓		✓
Wipro Technologies			✓	✓
Infosys Pvt Ltd	✓			✓
HCL Technologies		✓		✓
Mahindra IT Services	✓	✓		✓
Mind Tree Ltd			✓	
Accenture India	✓			✓

Capgemini		✓	✓	
Cognizant Technologies	✓	✓		
Microsoft Corporation	✓		✓	✓
Total	6	5	4	7

Source: Computed from secondary data

Activities such as relief work, income generation, helping in improving infrastructure and skill development are the major activities classified under community development. TCS, Mahindra IT Services and Microsoft Corporation carries out the maximum of three out of four activities, which is the maximum when compared to the other companies. They involve in relief works, help the villages in improving their infrastructure by setting up portable water systems, bio gas plants, community centers, and provide street lights and electricity along with low cost housing.

V. D. ENVIRONMENT

Rapid rise in Industrialization has seen overexploitation of natural resources. Companies use large amount of natural resources for which in return they have to contribute to Environmental conservation. To name a few, environment conservation program include Rainwater harvesting, tree plantation, solar power generation, etc.

Table. 5: Classification of activities carried out by companies in the area of Environment

Name of the company	Pollution Control	Waste Management	Energy saving	Tree plantation	Rain water Harvesting	Green belt Development
Tata Consultancy Services	✓	✓			✓	✓
Wipro Technologies	✓		✓	✓		
Infosys Pvt Ltd	✓	✓		✓		✓
HCL Technologies		✓		✓	✓	
Mahindra IT Services		✓			✓	✓
Mind Tree Ltd	✓		✓			
Accenture India		✓			✓	✓
Capgemini	✓			✓		
Cognizant Technologies		✓		✓		✓
Microsoft Corporation	✓			✓	✓	
Total	6	6	2	6	5	5

Source: Computed from secondary data

Environment activities include waste management, green initiatives, soil and water conservation, measures to reduce carbon foot printing, using wind energy, solar energy, thus making use of the renewable energy sources. Among the ten companies, TCS and Infosys carry out four out of six

activities under environment. Six companies out of ten involve themselves in waste management and Tree Plantation. Five companies adapt green initiatives and Rain water Harvesting.

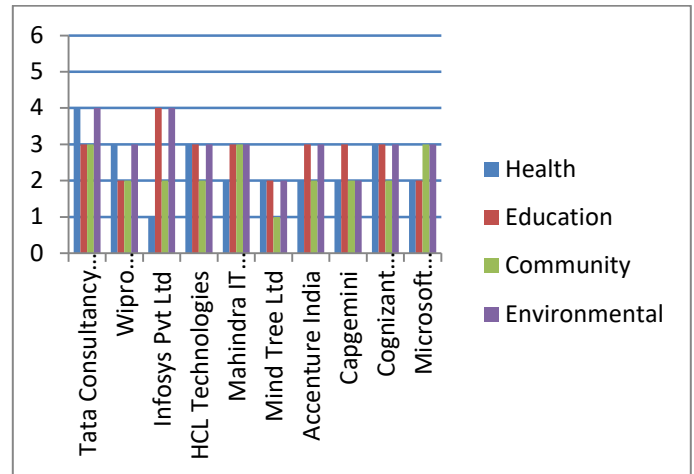
VI. SUMMARY OF FINDINGS

The following table summarizes each company's activities under the four major areas and their total.

Name of the company	Health	Education	Community	Environmental	Total
Tata Consultancy Services	4	3	3	4	14
Wipro Technologies	3	2	2	3	10
Infosys Pvt Ltd	1	4	2	4	11
HCL Technologies	3	3	2	3	11
Mahindra IT Services	2	3	3	3	11
Mind Tree Ltd	2	2	1	2	7
Accenture India	2	3	2	3	10
Capgemini	2	3	2	2	9
Cognizant Technologies	3	3	2	3	11
Microsoft Corporation	2	2	3	3	10
Total	24	28	22	30	104

Source: Computed from secondary data

The above table shows that the ten selected companies all together perform 104 CSR activities under different areas. Out of the 10 companies Tata Consultancy Services implements the maximum CSR activities followed by Infosys, HCL Technologies, Mahindra IT Services and Cognizant Technologies. Tata Consultancy Services tops in the area of Health and Followed by Infosys in Education.



VII. CONCLUSION

CSR activities of the selected ten companies are categorized in four major areas as Health, Education, Community development and Environment. It is found that all the companies giving importance to implement many activities in the area of environment and the least preference is given to the areas concerning community development. It is suggested that companies can implement more activities in the area of community development where they can help in improving the locality in which they operate.

REFERENCES

- [1]. Black, L. D. (2001, March). Towards understanding corporate social responsibility in Australia. Paper presented at the Conference on Monash University, Melbourne, Australia. Retrieved 10 July 2007, from <http://www.aph.gov.au>.
- [2]. Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review*, 4(4), 497–505.
- [3]. Carroll, A. B. (1991). The pyramid of corporate social responsibility: toward the moral management of organisational stakeholders [Electronic version]. *Business Horizons*, July–August, 39–47.
- [4]. Carroll, A. B. (1998). The four faces of corporate citizenship. *Business & Society Review*, 100/101, 1–7.
- [5]. www.tcs.com
- [6]. www.wipro.com/india
- [7]. www.infosys.com
- [8]. www.hcltech.com
- [9]. www.mahindra.com
- [10]. www.accenture.com/in-en
- [11]. www.in.capgemini.com
- [12]. www.accenture.com
- [13]. www.cognizant.com
- [14]. www.microsoft.com/en-in