

Gary: [00:00:00] Welcome to sustainable minds, exploring the interplay of corporate brand core beliefs and ESG brought to you by the baker. In every episode, we'll investigate how purpose, vision, and values can guide your company's sustainability actions, behaviors, and mindsets,

Rocket: and we'll discuss their impact with the help of ESG-focused guests from around the globe.

I'm your.

Gary: Sprocket. And I'm your host, Gary, let's get started.

Let's jump back in talking about purpose and I talk about core purpose and values, and there are too many manufactured purposes out there. And there are too many generic values that aren't real. And it's just wallpaper at some companies, we work with companies too. Integrate and operationalize, but more importantly, create these [00:01:00] values that are within this company at the core, but it's also how you express them.

That's really important. And then it's very important throughout the whole Tata organization. So I see that Tata has a new brand statement. Building on belief. Why was there a feeling of this need for a new brand

Balaji: state? Taking a step back tar is the holding company of over a hundred companies across various sectors, tar suns, and TCS, the company that I work for tar consultancy services is the technology major within the conglomerate.

When it was set up in the 18 hundreds, the data group was set up as majority ownership with two philanthropy trusts. Even today. That is the model that continues to work where the majority of the shareholder's ship of the entire a hundred billion dollar conglomerate is with two philanthropic trusts.

So the very nature of [00:02:00] business as our founder gem Shaji has said. The very purpose of business is for the community. And that is the sole purpose of our existence. So that is the value with which all the group companies are being founded. And TCS is no exception to that. I think in terms of messaging to the stakeholders and the audiences that we serve, it is important to go back and ask ourselves the questions.

Whether our stakeholders are able to relate to us in the new context of what is happening in their digital economy. And it was evident to us that the value that we are able to bring as an organization is to help customers on their growth and transformation journey. To help employees on their journey to help realize their own potential.

And building sustainable communities is needed for us to do a better articulation of who we are in today's context. So that began the whole journey of [00:03:00] looking at our purpose and our brand statement. And it was more to make sure that talk aligned with the walk and through the process of discovery became clear that we have always been an organization that has been building on the belief that innovation and collective knowledge can help build better futures.

That is what we ended up with. So purpose statement, and, it's great to be at a time when people in the company are able to relate to that and say, yes, that makes sense. Here is my personal story of how I'm building on belief for my customer or how I'm building on my belief for my team as a leader or how I'm building on my belief in creating better communities and being a great civic leader.

Where I am present. It's a great time to be on this journey. Yeah.

Gary: Yeah. And with all the heartfelt sincerity of humanness that comes [00:04:00] forth with all this versus corporate kind of jargon and these convoluted statements. When I hear and read about your purpose, I really feel. Get a sense of feeling the truth you guys are.

Speaking of, let me connect that with that theme that you used in the current integrated annual report. And also, how do your core values and purpose drive your sustainability strategies, policies, and practices at

Balaji: Tata. I think it's a very interesting question because it's easy to go into the jargon and let the jargon drive your agenda, rather than asking yourself the basic questions of why you exist as a company.

How do you want to convert strategy into execution through culture? And then how do you want to incentivize behavior? [00:05:00] Through values, right? So that is the site that we are gravitated towards. To me, let me just foundationally explain the differences in my thinking, in terms of what is the purpose, what is sustainability, and what is beautiful to me, the purpose is the very reason for the existence of an organization.

And more often than not. In fact, I would argue that in today's world, if it is not to serve a broader societal purpose your halflife as a company is gonna be very short. There are good examples. There is proven examples of this, in the 1950s, the average lifespan of a Fortune 500 company was around 57 years.

And today it's about 23 years. So unless your purpose is really something that is long-term and related to creating better social good, it is, your existence is not gonna be. The second aspect is sustainability. Sustainability may be today a keyword, but to me, it is an essential part of a business model of an organization.[00:06:00]

So that's a distinction that I draw. And if it is a part of a business model, it's not just one department or one entity or one team that has the owners of driving sustain. It's sales, it's like marketing, it's team building. It is every other thing that you would do in an organization where you may have some people who are subject matter experts in a particular area.

But the way in which you run it is to ingrain it into every part of your organization. I have similar views on diversity as well. So it's right. It's good to have teams that are responsible that have subject matter expertise that can bring both the inside out and the outside in view. But it is something that you have to drive as part of your business model across the organization.

The third aspect is ESG, where many people are conflating it with purpose and sustainability. But the way in which ESG and that space is evolving is more inside out rather than outside in it is your way of telling the rest of the world. How do you stand on certain parameters, around the environment, around social and governance, and [00:07:00] more often than not today being drawn by investor demands and board and executive demands on more transparency?

Around how we are doing what you're doing. Right there. As purposes outside in. Of what society needs and what you are doing to need that unmet need in society. So that's how I would distinguish these. And this is how we are driving our culture within the organization, using the purpose as a sense of identity, using sustainability as a set of principles that can help you bring that purpose to life.

And then using ESG and metrics as a yardstick to say how you're doing in the short term and the long term.

Rocket: Yeah. Such a wonderful view of it all and really encouraging people to integrate the business model with the social goods that you're doing and then communicate it out. It's incredible.

Many of our

Gary: [00:08:00] clients are first-time ESG reporters. What you just talked about is very important, but let me frame a question like this. What would you advise a first-time reporter? How do they need to think about

Balaji: ESG? I think ESG in today's current environment can be looked at as a way to hold the feet to the fire.

For the kind of pledges and statements that companies are making on how they are living up to the greater good for society for people and for all of their stakeholders. I'm not saying that should be the only view, but it is a space that is

growing to accomplish that, the frameworks that are coming in, the compliance requirements that are coming in.

The reporting that is happening is all intended to, of course, create that transparency, but also [00:09:00] make it more accountable, right? It is important to do it is necessary, but not sufficient. If you get too myopic on the fact that a company is saying that I'm going to increase diversity in my board by X, or I'm going to reduce my carbon footprint by.

Or I'm going to increase my investments in inclusive banking by Z. Those are good pledges and statements to look at. And in the short term, definitely, you have to hold your feet to the fire on that. But in the broader sense, I think the reporting and narrative in this space can start to question the very aspect of why these companies exist.

How are you serving the larger? Not just what you're publishing this quarter, not just one or two initiatives that you did this year, but over a period of time, how are you shaping the world around you? And so it can become [00:10:00] more of a constructive, proactive view. Then a reductive view or a view where you are harming the environment in some ways.

So you have to offset that by doing something you are creating a negative effect on society. So, therefore. Tell me how you are managing to compensate for that, or, are you being governed in the right way? So I want to make sure that, you're a sustainable investment model for the future.

So that shift I would like to see in the future, but this is a good place to start now. Yeah.

Gary: I too many times people. Come at it about mitigating risk. And I would like to change that mindset to more about creating value in creating value for all people and the planet and not think about their shareholders, not stakeholders, the shareholders.

And how the investors are gonna react to 'em. Of course, that's important to, to, and how [00:11:00] we can mitigate and how they can mitigate about being dinged for not, but, I'm looking to help them change that mindset to creating

Balaji: value. It's a journey. I completely agree with you. It's a journey and there is nothing wrong when starting from the compliance and risk perspective because that is a way in which organizations know how to tell their story.

Every quarter, if you're a publicly listed company, you publish your metrics, and having that as an avenue for you to expand beyond the financial and operational metrics to look at these areas is a good path. Because that means that there is

buying from the board, from the executors and what gets measured will get done.

But like I said, it should not stop at just reporting for compliance and risk purpose, but the starting point being that, you do it for the right reasons. And the outcome of that gets measured and reported in the [00:12:00] manner that is most appropriate for C. In this space. Also, there are a lot of challenges, Gary and rocket.

If you think about it from there is no common standard framework that is accepted around the world, right? That is still evolving. On one hand, you have rating agencies, measuring companies where some agencies measure a company very high in ES geometrics and another agency in the same space has a diametrically opposite view, right?

So the space will measure. Organizations or government agencies like ACC coming out with rules is also helpful to bring some commons and metrics that are accepted across industries as the starting point. But then you have to evolve to what is what makes sense for some industries. What makes sense?

For example, in my sector, the technology sector may be very different. Energy is from a resource-intensive, raw material resource-intensive [00:13:00] industry. So that space will evolve. But I think, as I said, you had to go through that maturity curve. And that's why I say it's a very interesting time to be because you can help shape that these are not gonna happen by itself and reporters and leaders.

Like you can help influence the thinking. So that we move away from analysts who are just looking at the broad internet and just looking at basic things that they're able to see. And instead, go deeper in spending time and understanding this from the perspective of the company, and the stakeholders. And providing better transparency into how they're determining the ratings, and how they are including companies in certain indis.

So that space is definitely starting to measure, and we'd love to keep contributing to that. This

Gary: is such an early burgeoning industry. If you will. Of course Corpus social [00:14:00] responsibility and just good Corpus citizenship has been around a while, but with all the rating agencies out there and all the frameworks and different companies now coming together, emerging their frameworks, it's really an evolving and emerging business that it's in.

I'm curious. You guys have been great leaders in this area. How do you see your ESG and your integrated annual report? Where do you see this type of reporting in five years?

Balaji: for to. I think ideally like to go to a place, it's my view. It's my belief that the future of the enterprise is carbon negative and social positive.

You are going to start looking at organizations, not just making pledges to be carbon neutral. Yeah. This is what the case is today because that's a common need felt across the world, top 26 and other efforts of as SGDs are helping [00:15:00] contribute to that. But I believe that we are also in a space where a lot of organizations have the know-how and the ability to go beyond carbon neutrality and actually have a positive impact on the environment, especially social entrepreneurs and small and medium businesses that are very local, have the ability to do this.

And I believe that within the next five, 10 years, you will start to see a lot of innovation emerge. And partnerships that are unconventional get formed between larger organizations and smaller organizations to drive. This agenda in a similar manner, the S of ESG is gonna get more prominence in the last couple of years that S could represent anything from social justice to people and culture and talent.

But truly, I think it is going to evolve more to how you're shaping and building communities and contributing to nation-building in the countries and communities that you operate in. This is [00:16:00] something that the data group and TCS are very comfortable and familiar with. Because as our past chairman said, we are in the business of not building companies, but building institutions that serve society and countries beyond the lifespan of any one individual.

So social positive is that. Call to action that can help rally companies in that space. And I believe that if not within the next five years, definitely within the next 10 years, there'll be greater emphasis on serving the needs of society. Not just from a CSR perspective, as it is traditionally seen, right? Charitable or philanthropic purpose. But to actually shape organizations thinking to empower and uplift communities so that they become consumers, they contribute to the GDP. They then create economies that can continue to grow and people can have a better quality of life. So that [00:17:00] is the trend that I see emerging.

And I think technology and digital are going to play a huge role in enabling that, not as an edge, but as a vehicle, as a tool, and people who are really driving efforts in organizations are gonna make this happen. I'm a firm believer in that.

Rocket: So interesting because it's almost like the connection, the ultimate connection is to uplift all of the disadvantaged or excluded or to become consumers, as you say so that it feeds back into this circle that is productive.

And that is a good force. I've never really thought about it. That in that way. So that's profound. And also one thing that I find is like 10 verticals or more at this point for Todd and the, and what seems to connect is the values. The [00:18:00]

businesses are so diverse. Is there something that you go after when you hire people that these are?

Fundamental building blocks of their person, the values in some ways. So that be, as well as an expert or with the skills and the capabilities of what you need.

Balaji: It's a complex question to answer, but the simple way to look at it is that skills can be taught. Attitudes are inculcated, based on the environment that you're growing up in, right?

So you can hire for attitude and you can train for skills. So that is why, if you see a lot of our leadership pass in the past 50 years or so, plus of TCS's existence, our leadership has grown from within. The opportunity that you get to move from role to role, help build greater [00:19:00] organizations within the larger company, take on a variety of roles across industries, across domains, across technologies, you will learn skills, you will get exposure along the way, but what do you come with in terms of attitude, in terms of fundamental beliefs, in terms of values?

I think that is what helps create the core of an organization. And we've been blessed with the legacy of the tar group, where people are attracted to TCS and the tar group of companies because of what we stand for. Stand for. So I always say that we have to make sure that we create today's legacy.

So that people who want to join us in the future, look back not only at 150 years of what we accomplished, but what we're accomplishing today, and the legacies that we are building today. And so we are blessed with great leadership with the singularity of purpose. That is that's not changed in 150 years, the fundamentals remain the. It is about nation-building. Initially, [00:20:00] even though it started in India before India's independence as a country, it was about helping India fulfill its potential through industrialization. Steel and motors. And then other spaces that started to emerge in today's world as a global organization, that same ethos holds good in every country that we operate.

How can we enable the country? To progress, it's citizens to progress. So like I said, it's about creating uplifting consumers and people to the next level. So that the next generation that is coming ahead of us is better off than this generation.

Rocket: Yeah. That's not happening in many respects, which is so scary for young people.

And I think why there's such a great need for this to be taken seriously and why even the business round table came out and changed their opinion of the purpose of a corporation for the stakeholders, opposed [00:21:00] to the shareholders. It's huge. It's really huge. And I found it refreshing to see how it was so ingrained in your rich history.

The other thing that I thought was, that struck me as different was on your website, how you have the one big and that things that you fund in your C Sr. Efforts, you give an opportunity for anyone to be a part of it and pledge money. And I thought, wow, it's a different attitude. And how did?

Become

Balaji: about again, our approach to CSR is very similar to our approach to business, which is how can we create sustainable futures, better futures for society. And I think bringing the best of what we have to offer, what I call the four capitals, intellectual capital technology, capital human capital, [00:22:00], and financial capital.

That is the fundamental basis of the way engagement model. For anything that we do in the CS, capital is not just TCSs. Intellectual capital, right? It is the capital that is formed by bringing all stakeholders to the table. So if you are working to solve problems in the inner city neighborhoods in America, you need to get students, you need to get educators, to get administrators, to get policy makers involved in sharing their voices and their thoughts and creating a solution that works.

And that's the approach that we have taken with our flagship program go it, which started in 2009 to bridge the digital skills gap 21st-century skills gap in the American education system today, serving students in over 200 cities across the country and six, almost 40 countries around the world because it is [00:23:00] born and designed keeping or including the stakeholders who are part of the, ecosystem.

Technology then can become an enabler. So technology capital then brings it to life. You can create websites, you can create content. You can scale efforts, especially during COVID. We are able to provide so many schools and educators with the kind of resources to support them. During that time, human capital then brings it to life.

We are TCSs 600,000 people around the world. How can I help them fulfill their purpose? By being that bridge to a young person, a young girl, or somebody from a marginalized background, as they say, you, if you cannot see it, you cannot be it. And I have 600,000 people who can help you see it and be it.

So they then bring programs to life. And then financial capital. I continue to think of myself as an entrepreneur within the larger organization. So financial capital is to seed funds and help new initiatives grow. If [00:24:00] money was the answer to every problem that faces society, then a lot of the problems do won't exist anymore.

Money is certainly part of the solution. Yes. What is needed is human ingenuity, what is needed is the use of technology. What is needed is connecting people to their purpose and bringing it to life. So that's the approach that we have taken. And we are very clearly focused on a few areas where we.

I was talking to you earlier about how to move people from one level of social Strat to another. So the focus areas on education, and entrepreneurship employment are all focused on creating opportunities that are tangible. These young kids who are gaining digital skills are moving from consumers of technology to creators of technology.

That's a huge shift, right? Wow. You're not just consuming apps, or watching videos. But, you know how, if you see a social problem in society, how can you design a solution to that? How can you prototype a solution? [00:25:00] How can you build it using technologies like AI or IOT or app design, and then how do you pitch it to others so that you can get the support to start your own idea or enterprise.

That is the journey that these, in this example, these young people are taking. And that is going to put them on a path. Not everybody is gonna become a quarter or a programmer, a computer scientist. They don't need to, but they can be in charge of their destiny. The job that they choose, the path that they take is gonna put them on a path that is better than this generation and the marginalization that they're facing.

Rocket: Fascinating. Yeah. Cause it's absolutely true. And the way that you structure, inviting anybody to apply for funding, with certain criteria that you have in place, it's. All of a sudden you're bringing to life so many people's passion. It's a different way. It's a different way of looking at it rather than, just [00:26:00] some, doing grants to one organization doing one thing.

You're just opening the floodgate for the people with a passion to really make a difference.

Balaji: Yeah, it's a different school of thought. And I have tremendous respect for organizations that have a grant-based approach. They have a purpose to play in society, but I, from the perspective of the strengths that we, as a company bring to the table our dream of carbon negative and social positive cannot be fulfilled unless the company's full energies and strengths are applied. Two problem sets like this. What if tomorrow every young person around the world had the opportunity to be part of the digital economy. What if every educator around the world knew that they're developing better citizens developing inculcating 21st-century skills that are required in today's world.

So those are the big questions that we are asking ourselves [00:27:00] and trying to solve in collaboration with others who have the strengths and the

capabilities to do. And that's a great place to be because then you are not limited by the amount of money that you have available. We, don't get me wrong.

Yeah. We spend close to a hundred million a year on community initiatives, but the starting point is not there. The starting point is who has the power to bring this problem to an end? How can we work in collaboration, in creating innovative ideas that can bring it? Provision and then scale. And since you asked this, one of my pet areas to work on today is how to make this more community-focused and data-driven, how to create and promote more authentic sources of data in communities, not just in develop economies like us, but in developing economies like India and other places where you know that if you zoom in and look at a certain community, Their literacy level, their poverty level, their [00:28:00] participation from diverse communities in different aspects of society.

And then you are able to use that data points to make decisions on whom to prioritize in terms of partnerships. Where to apply your resources. So that's the part that we are taking right now. And I hope to have in a couple of years, more interesting stories to share in terms of how data can then community created and community-based data, then help us even who zoom in further.

And be more focused and strategic with investments as companies. And

Rocket: we need stories like that, of how data are used on people for the good instead of, for, cuz in a lot of ways, I mean I have a daughter who's at university right now and she's in a class. They were, she was sharing a paper that I, we were she was reading and it was talking about.

Considering all the bots on yourself that you are giving people and you know [00:29:00] how they're tracking you on everything, from wearing, your heart to health, to anything. If you're wearing an iWatch and on, and it's got this like you're giving something away free rather than understanding, or having the feeling be, take the data and do good with it.

Give back with that data. That would be tremendous. Thank you.

Balaji: Yeah. I certainly see it go down that path because whether it is through legislation or through activism, we are gonna get to a place where people will be the owners of their own data. They decide what to do with it.

And companies, business models will. To factor that and to, build solutions, build new business models around personalized data and personalized needs. It's already happening, yeah. To move from healthcare to wellness. Yeah. Yeah. A product to a purpose. So retail to fashion.

So [00:30:00] it's starting to show up in certain areas. I'm sure it'll show in every part of life. Yeah. The

Gary: LA you've given our listeners so much to think about. Thank you. Thank you. Greatly

Rocket: appreciate that. So I'm gonna go back and listen to it two or three times, just to think each sentence through you are such a resource of fantastic ideas.

Gary: This is my colleague rockets. She's

Rocket: amazing. I just love to listen to people who make you think about new things. So thank you so much greater.

Gary: Appreciate your time.

Balaji: No. Thank you. Thank you so much. I think it's a pleasure. You have such great viewers and publications and thank you for considering me to be a part of that.

Oh, I'd love to come back and talk more about any specific area that you'd like to follow. You know what?

Gary: we'd love that too. You'd love that too. Yeah. Thank you.

Rocket: Hey, thanks [00:31:00] for listening. Just a reminder to follow sustainable minds, wherever you get your podcast. And please do live a review. If you like what we're doing, it helps others discover the show. And of course, we want more listeners. If you wanna find out more about how we can help you evolve your corporate brand culture and ESG, head to [baker.com](https://www.baker.com).

See you on the next episode of sustainable minds, exploring the interplay of corporate brand core beliefs and ESG.