NASSCOM® CSR trends in IT-BPO Industry

Partner: **NASSCOM Foundation**

NASSCOM Foundation is a not for profit organization that is building an ecosystem to bring to fruition – Technology for Good. The mission of NASSCOM Foundation is to mainstream responsible business, promote and develop social and environmental solutions, build capacities of individuals and organizations to achieve these, and influence policy making & create thought leadership, using the capacities and competencies of the ecosystem of the IT-BPM industry in India.

About SONATA'S CSR Philosophy

Sonata's CSR vision is to improve quality of life through technology. The focus is to create long term sustainable development initiatives. Our focus is on employment generation, skill building, education & entrepreneur development. We at Sonata also aim at ensuring employee participation in our CSR initiatives in the company. We believe that as a technology company we identify needs in the society where the usage of technology can give wider access to people's produce, or wider access to a learning platform, or improve awareness about specific arts, handicrafts & heritage and link the core competencies available in the organization to cater to these social gaps and not solve transient problems.
Our focus is to create long term sustainable development initiatives such as employment generation, skill building, education & entrepreneur development. We also encourage employee participation in our CSR initiatives.

About the Program:

In late 2016, Nasscom Foundation conducted a survey titled 'Catalyzing Change – CSR Trends of 2015-16, Study of CSR Programmes in Education, Tech4Good and Volunteering'. The study was conducted to understand the vision and practices, challenges faced as well as impact achieved by companies in the IT-BPO sector in operationalising the CSR mandate rolled out by the government in 2014. The study covered specific areas such as compliance, focus areas and geography of coverage, operations and technology deployment; and was conducted across 65 IT companies – Indian and MNCs, small, medium and large. Sonata was one of the two research sponsors of the study.
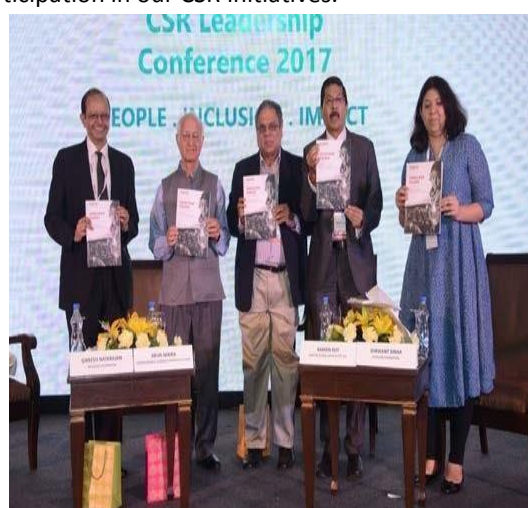
Findings of the Study

CSR Trends Amongst IT-BPO Companies

- Most companies surveyed have spent 100% of the funds allocated to CSR. There has also been greater monitoring of projects and increased disclosure in reporting spends and activities

- 70% of the surveyed companies had committed their CSR spends entirely to education. Other focus areas included environment, employability & vocational training and healthcare. The focus on education is driven by the belief that education is the most effective tool to lift people from their socio-economic morass and mainstream them. The education spends are on pedagogy but also on providing infrastructure, teacher training and school essentials

- Companies prefer to concentrate their efforts on a smaller number of projects at a time instead of spreading themselves thin. Companies would like to work on long term projects with implementation partners

- There is significantly higher investment in projects and better management of project design, partners, tracking and monitoring. Successful collaborations with implementation partners is on the rise – 80% of companies would like to continue working with their partners

- Companies are aligning their resources to fulfill relevant and sustainable development goals. There is also greater involvement from senior leadership of corporate

- Technology for Good is a reality. Not surprisingly, IT companies are using technology as a vehicle to deliver social impact and to lower or break barriers that impede the delivery of benefits. Several of the companies surveyed have leveraged their sector expertise and employees' skills to design relevant solutions for their NGO partners

- Corporate volunteering is on the rise, and is perceived as a means of donating skills as opposed to merely time

- Social impact is expected to become more widespread and expansive as increasing number of companies are investing in non-headquarter geographies

- Some challenges still exist – most important being lack of sufficient information on projects that can be supported. Identification and due diligence of NGOs and absence of a robust tracking mechanism is a big challenge.

Learnings from the Study

- While collaboration amongst IT companies by combining resources to deliver social impact across geographies and domain understanding is on the rise, it is yet to see significant traction

- Investment in education is significant; it is however concentrated in pockets and is yet to become pervasive

- Few companies have a CSR philosophy that guides their activities. The choice of projects, period of entrenchment, exit plans etc are more tactical than strategic. As a corollary, companies undertake CSR activities which are aligned with their sector familiarity or expertise. There is a general reluctance to explore uncharted territories. This has led to some CSR delineated areas such as rural sports and preservation of art and culture not receiving much patronage or support

- The same familiarity yardstick is used to select NGOs to partner with. As opposed to usage of standardized parameters for selecting partners, selection is often adhoc

- Impact is yet to be visible in a sustained or expansive manner. While increases in fund allocation and project sizes are visible, significant impact is yet to be experienced on the ground, owing possibly to long gestation projects IT companies have reduced their donations to government directed activities and funds such as PM Relief Fund. Companies prefer instead to select projects that align with the government's development objectives such as 'Make in India', 'Digital India'

Findings for Sonata

- We have a well structured CSR philosophy that guides our choice of projects and implementation partners

- In line with the industry trends, we have leveraged our sector expertise and employees' skills to design relevant solutions for our NGO partners

- While we at Sonata are focused on Education and the Environment, we are happy to be equally focused on technology incubation and underserved areas such as 'Protection of National Heritage, Art and Culture' and the 'Promotion and Development of Traditional Arts and Handicrafts'