



Corporate Governance Ethics and Comparative Study of Tata and Infosys

MD Masum¹, Dr. Pragya Jaiswal²

¹Roll No: 22GSOB1010036, Course: BBA (General)

²Supervisor

Abstract

This paper explores corporate governance practices and ethical frameworks within two leading Indian corporations — Tata Group and Infosys. Tata's governance is rooted in philanthropic values, while Infosys emphasizes professional ethics and transparency. The study compares their leadership crises involving Cyrus Mistry and Vishal Sikka, highlighting the influence of promoters, board autonomy, and ethical leadership. It concludes with insights on governance effectiveness, ethical resilience, and how legacy and professionalism coexist in Indian corporate environments.

Keywords: Corporate Governance, Ethics, Tata, Infosys, Leadership, Board Independence, Promoters, Transparency

Introduction

Corporate governance and business ethics form the foundation of sustainable enterprise behavior. In India, Tata and Infosys stand out for their governance practices. However, leadership crises in both companies during 2016–2017 revealed vulnerabilities in board dynamics and promoter influence. This paper aims to analyze these incidents through a comparative lens to understand governance robustness in emerging economies.

Objectives of the Study

1. To analyze the leadership challenges faced by Tata Group and Infosys.
2. To examine governance frameworks and their effectiveness.
3. To study the ethical implications and board dynamics during leadership transitions.
4. To compare promoter influence in legacy-driven vs professionally managed companies.

Research Methodology

This research is qualitative and comparative, relying primarily on secondary data including annual reports, press releases, journal articles, and regulatory filings. Case study method is used to analyze governance challenges faced by Tata (2016) and Infosys (2017).

Company Profiles

Tata Group is a conglomerate known for its legacy and social responsibility. Infosys, a leading IT firm, is renowned for its governance standards. Both represent contrasting models — family-driven vs. professionally managed.

Corporate Governance and Leadership Crises

Tata's 2016 boardroom conflict involved Cyrus Mistry's ouster, raising concerns about board independence and promoter dominance. Infosys faced public disputes between CEO Vishal Sikka and founder Narayana Murthy, questioning the efficacy of independent governance structures.

Comparative Analysis

While Tata's governance is value-based and controlled by trusts, Infosys follows structured transparency with a strong board. Yet, both faced ethical dilemmas due to founder influence. This demonstrates the need for stronger board authority and clearer boundaries between ownership and management.

Findings

1. Both companies suffered leadership disruptions due to promoter interventions.
2. Tata's philanthropic control clashed with executive autonomy.
3. Infosys's formal governance was challenged by informal founder influence.
4. Ethical leadership remains central, but needs insulation from legacy pressures.

Conclusion

Corporate governance in India must evolve to balance legacy and professionalism. Tata and Infosys offer valuable lessons on board empowerment, ethical resilience, and promoter boundaries. Future reforms should enhance board autonomy, stakeholder engagement, and ethical integrity.

References

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