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## TCS grapples with trust deficit as controversies test Tata brand halo

*TCS faces police probe over alleged harassment and religious coercion at Nashik BPO, amid job cuts, culture concerns and criticism of governance and employee treatment*

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**Read on:** [TCS grapples with trust deficit as controversies test Tata brand halo | Storyboard18 institutional accountability, corporate crisis response, internal governance concerns, brand reputation management](#)

### **Article Content:**

For decades, Tata Consultancy Services (TCS) stood as a proxy for the Tata Group ethos—steady, trusted, and largely untouched by governance crises. However, a fresh controversy has unsettled that perception, raising questions about whether the company’s institutional reputation can withstand mounting scrutiny.

India’s one of the largest software services firms has come under renewed attention after employees at its Nashik branch’s BPO unit alleged harassment and religious coercion, claims that have led to police complaints and arrests, and drawn national focus. [TCS](#) has said that the matter is under investigation. Tata Group Chairman N Chandrasekaran reiterated the group’s “zero tolerance” stance toward misconduct, assuring that the Nashik allegations would be “thoroughly investigated”. Still, the episode adds to a series of

challenges that have, in recent years, chipped away at the company's carefully cultivated image.

The episode comes at a moment of relative financial steadiness. [TCS](#) recently reported stable fourth-quarter earnings, even as global demand for IT services remains uneven amid geopolitical headwinds.

With the market capitalization of roughly Rs 8.95 lakh crore, the company continues to serve as a bellwether for India's technology sector. Yet the dissonance between financial resilience and reputational constraint is becoming harder to ignore.

On social media, the backlash has been quick and unusually pointed for a company long regarded as a gold standard of corporate governance.

Internet users have questioned both the company's workplace culture and the responsiveness of its leadership, with some alleging a growing disconnect between management and employees.

TCS stock has slipped 2.9% over the past five days.

Brand experts noted that [TCS](#) has historically enjoyed a distinctly softer reputation among Indian IT majors. Ambi Parameswaran, founder of Brand-Building.com, said the company was long seen as conservative, with relatively lower attrition, measured exit policies, and strong implementation of workplace safeguards. A former executive said that TCS scaled rapidly through mass hiring and long-term employee retention. However, that model is now under pressure, with mass layoffs, shortened bench period for employees, forced resignations being reported, said a former executive.

Storyboard18 has reached out to TCS for comment and will update the story upon receiving a response.

Notably, according to fiscal year 2025 disclosures, POSH complaints upheld at TCS stood second-highest at 78 after Wipro Ltd at 115, while, Infosys reported 33, and HCLTech 33, respectively.

Devroop Dhar, co-founder and board member at Primus Partners, said the critical factor is institutional response. "What matters is how an organization reacts. Whether it accepts responsibility at the highest level and takes corrective steps," he said, adding that such incidents can become learning moments if addressed properly.

"TCS is dealing with both internal and external trust deficits simultaneously, which is rare and difficult to manage," said Chetna Israni, co-founder and director at Morning Star Brand Com. "The Tata brand has long stood for stability and trust, but recent events suggest cracks in internal governance".

In 2025, Chief Executive Officer K Kirthivasan announced a 2% reduction in the company's global headcount, a move that sparked internal unease.

The Q4 earnings data highlighted that TCS headcount fell by nearly 23,400 employees year-on-year to 584,510. The company also shortened bench periods to 30 days, down from earlier norms of one year.

Earlier this year, employees speaking anonymously alleged that performance ratings were being systematically downgraded, particularly of mid-level staff, effectively reducing variable pay and nudging some toward voluntarily exits. The company denied any changes to its compensation structure.

“The responses increasingly appear less like isolated lapses and more like signs of a management culture that risks conflating institutional stature with immunity from scrutiny,” said a former executive, requesting anonymity.

Leadership changes have added to the uncertainty. The exit of former CEO Rajesh Gopinathan marked a turning point, with some insiders describing succession planning as opaque and slow.

At the same time, the rise of artificial intelligence is reshaping the IT services landscape. Critics said that TCS has appeared more reactive than pioneering in this transition, relying on legacy strength rather than leading from the front.

Veteran marketing leader Prathap Suthan noted that AI-led disruption is a global phenomenon. “The business is changing, and companies must balance shareholder expectations with workforce realities,” he said, adding that such disruptions are part of broader industry cycles.

Dhar echoed that view, pointing to recurring shifts- from Y2K to the dot-com era to AI today. He argued that the industry will reorganize around outcome-driven models powered by new technologies.

For academics, workplace culture remains central, particularly in B2B sectors. “Employees are the face of the organization. How they are treated internally inevitably shapes external perception,” said Amrita Bansal, a professor of marketing.

Brand strategist Harish Bijoor believes that the current turbulence may not become structural. “Public memory tends to be short,” he noted, adding that such incidents must be handled with transparency and integrity which could reinforce trust.

As the probe into the Nashik incident continues, the episode has added to the growing list of challenges for TCS, raising broader questions about whether one of the most valuable IT services firms can sustain its legacy while adapting to an industry landscape.