MAKING A DIFFERENCE: SOCIAL RESPONSIBILITY OF INFOSYS

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Abstract

In recent responsibility towards society and the stakeholders has become one of the boardroom agendas and gaining more visibility. Strong advocacy from NGOs and the pressure from collective movement have put companies firmly on the defensive, to think of stakeholders beyond business. Infosys's meteoric rise was legendary in India. In addition to Indian competitors Wipro and Tata Consultancy Services, big American firms such as IBM and Accenture were working day and night to match Infosys's strengths. The ability of companies to deliver more innovative and efficient products and services to more people depends on their ability to identify, mobilize and retain human capital. The challenge of enabling billions of people to live well within the resource limits of the planet requires a fundamental change in patterns of production and consumption over the next years. Corporations have a crucial role to play in building the interest which Social Responsibility generates and continues to generate amongst corporate entities, governments, international organizations, scholars, practitioners and a host of other interested parties. The paper looks on the role of Infosys making a difference towards society as well as the other stakeholders through its social Responsibility.

Keywords: Social Responsibility, I.T Industry, Infosys

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Introduction

Social responsibility has never been more prominent on corporate agenda (Smith, 2003). The inert fear which gobbles many minds is that socially responsible business may have to forgo its primary goal of wealth creation. Different concerns define Social Responsibility differently. World Business Council for Sustainable Development defines Social Responsibility as "The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large." Jamshedji Tata has very beautifully defined the Social Responsibility "The clear definition of Social Responsibility is that the community is not just another stakeholder in business but the very purpose of our existence." Social Responsibility initiatives are not only about philanthropy but translating these ideas into practical business strategies. Social Responsibility driven efforts does not only relate to donating money but it talks about integrating social and ethical practices into business strategies that help the consumer in creating a positive brand image. With the increase in Social Responsibility awareness some companies promote a very elementary understanding of corporate governance and ethical standards.

Purpose &Scope of the study

The purpose of the article is to identify the activities of Infosys technologies towards its social Responsibility. By exploring the concept of social responsibility, this article will attempts to study why the business companies are engaging in the social responsibility and to investigate &identify main activities of Infosys technologies concerning social responsibility Phenomenon. The scope of the study is limited to social responsibility practices and its initiatives at Infosys as a case approach.

Review of literature

The European Union Commission is quite demanding in its definition of CSR: "By stating their social responsibility and voluntarily taking on commitments which go beyond common regulatory and conventional requirements, which they would have to respect in any case, companies endeavor to raise the standards of social development, environmental protection and respect of

fundamental rights and embrace an open governance, reconciling interests of various stakeholders in an overall approach of quality and sustainability" Last five or so decades ago the view taken by a large number of businesses and some sections of corporate stakeholders globally was markedly dissimilar to the view taken by the majority today. An increasing number of corporate entities regardless of whether these are profit seeking or not for profit are integrating Environmental, Social, Economic and Ethical (ESEE) considerations into their strategies and practices (Jones, 2009). To Carroll (1979) "The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point of time". The first one they mentioned was Ernst and Young (2002) five key drivers for CSR which are: Greater stakeholder awareness of corporate ethical, social and environmental behavior, direct stakeholder pressures, Peer pressure, Investor pressure, an increased sense of social responsibility.

Figure- 1 ESEE (Environmental, Social, Economic and Ethical) in Corporate Social Responsibility
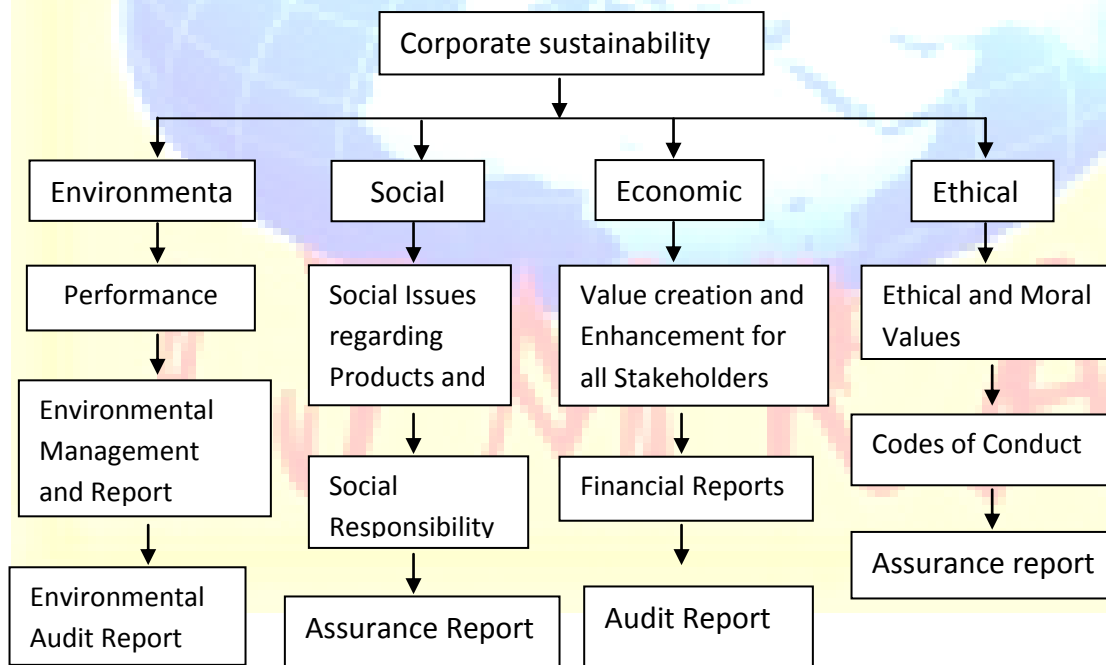
Mostovicz et al. (2009) actually provide an acceptable answer, when they argue that although, it is difficult to find other reasons for the increased recent interest in CSR apart from the realization that past practice has led to unethical behavior, corporate meltdowns, fraud and corruptions and of course some other unacceptable practices by some corporate leaders on behalf of their

organizations. Corporate social responsibility was typified of counterproductive practices in its evolution Porter and Kramer (2006). Corporate social responsibility has lead to the emergence of a variety of practices (Freeman 1984; Crane and Matten 2004; Welford 2004; Habisch and Jonker 2005; Fairbrassn et al 2005). In brief, the concept of CSR has evolved considerably since it first emerged in the 1950s (Carroll 1999; Freeman 1984:38; Carroll and Beiler 1977; Sturdivant 1977). As a result there appears to be disagreement about what the term means, whether it should be implemented, how it should be implemented, or why it should be implemented (Welford 2004; Stigson 2002). In short, definitions of the term CSR may depend on individual perceptions of responsibility/ obligation that in turn addresses the broader topic of the role of the organization in society (Deresky 2000; Stigson 2002; Woodward et al 2001; Maignan et al. 2002; Maignan and Ferrell 2003; Epstein and Roy 2001; Haugh 2003; Crane and Matten 2004:439). In brief, the concept of CSR encompasses many dimensions of business activity ranging from the social (e.g. community programmes), to economic (e.g. employment) to the environmental (e.g. waste reduction). Burke and Logsdon (1996) also contribute to the CSR debate by exploring the academic perspective of CSR, which they argue helps to clarify and quantify the benefits of CSR. Up to date, there is no consensus on the direct relationship between CSR and profitability; there may never be one, but scholars have made progress in proving that there is correlation between engaging in CSR activities and improved public image, in other words for a firm to generate good reputation for itself, Fombrun and Shanley (1990), Maignan and Ferrell (2004), CSR and better financial performance Cochran and Wood (1984), McGuire et al. (1988), CSR and its positive effects on the environment Milne (1996). All these are positive influences which make it impossible for corporate entities to want to ignore engaging in CSR activities in societies where they operate.

Consumers, employees, investors and public at large are increasingly demanding information on the performance of a corporation on a social dimension. Today no business can choose and do whatever it could do regardless of its impact on the society in general. Investors are concerned about the economic performance of the business but are increasingly looking at performance in the social sector as they are aware that the long-term sustainability of the business depends heavily on the performance in both the spheres - economic and social. People are unwilling to turn a blind eye to socially insensitive acts of the businesses.
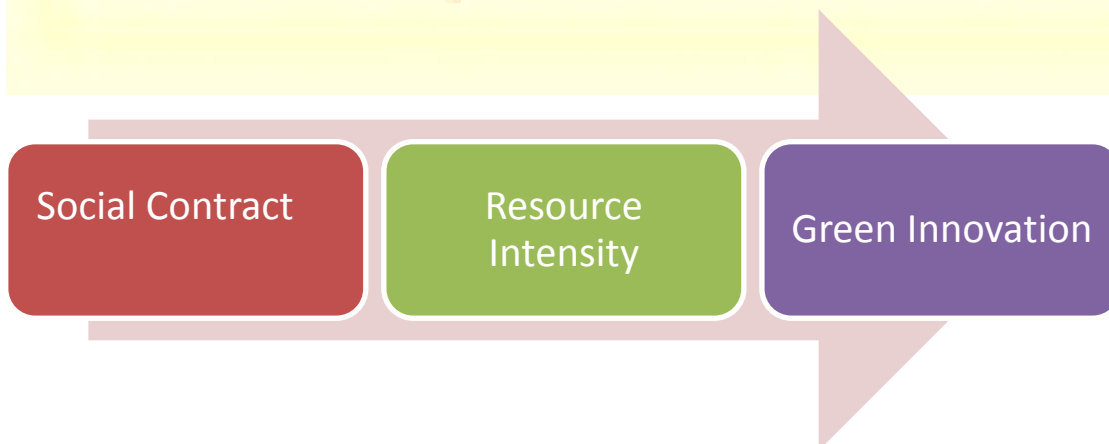
The practice of Social Responsibility is much debated and criticized. Proponents argue that there is a strong business case for Social Responsibility, in that corporations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profits. Critics argue that Social Responsibility distracts from the fundamental economic role of businesses; others argue that it is nothing more than superficial window-dressing; others yet argue that it is an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations. Social Responsibility has been redefined throughout the years. However, it essentially is titled to aid to an organization's mission as well as a guide to what the company stands for and will uphold to its consumers. Development business ethics is one of the forms of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment.

In the increasingly conscience-focused marketplaces of the 21st century, the demand for more ethical business processes and actions (known as ethicism) is increasing. Simultaneously, pressure is applied on industry to improve business ethics through new public initiatives and laws (e.g. higher UK road tax for higher-emission vehicles). Business ethics can be both a normative and a descriptive discipline. As a corporate practice and a career specialization, the field is primarily normative. In academia, descriptive approaches are also taken. The range and quantity of business ethical issues reflects the degree to which business is perceived to be at odds with non-economic social values. Historically, interest in business ethics accelerated dramatically during the 1980s and 1990s, both within major corporations and within academia. For example, today most major corporate websites lay emphasis on commitment to promoting non-economic social values under a variety of headings (e.g. ethics codes, social responsibility charters). In some cases, corporations have re-branded their core values in the light of business ethical considerations (e.g. BP's "beyond petroleum" environmental tilt). ISO 26000 is the recognized international standard for CSR (currently a Draft International Standard). Public sector organizations (the United Nations for example) adhere to the caroll's four part model. It is widely accepted that CSR adheres to similar principles but with no formal act of legislation. The UN has developed the Principles for Responsible Investment as guidelines for investing entities.

Background of Infosys's Social Responsibility

Infosys is actively involved in various community development programs. Infosys promoted, in 1996, the Infosys Foundation as a not-for- Profit trust to which it contributes up to 1%PATS every year. Additionally, the Education and Research Department (E&R) at Infosys also works with employee volunteers on community development projects. Infosys leadership has set examples in the area of corporate citizenship and has involved itself actively in key national bodies. They have taken initiatives to work in the areas of Research and Education, Community Service, Rural Reach Programme, Employment, Welfare activities undertaken by the Infosys Foundation, Healthcare for the poor, Education and Arts & Culture. India's second biggest IT service provider has announced its financial results in what will be the first of a flurry of announcements from the IT giants of India. The Indian suppliers' results are a good barometer of spending habits of CIOs. In its third financial quarter of 2010, which ended on 31 December, Infosys made just shy of $1.6bn (£10.1bn) revenue, which was 6% higher than the previous quarter and nearly 29% higher than the same period last year. The company's European head, BG Srinivas, said it feels like the economy is returning to normal. "the company is believing the coming years will be a normal one with no major shocks.""From a customer perspective all indications suggest that stability is returning**."**Infosys' profit was $397m in the quarter, which represented a 6.1% increase compared to the previous quarter and almost 19% more than the same quarter last year. Infosys said it added 40 customers, from a broad base of sectors, during the period and now has 5,311 more employees and at. It now has 127,779 workers.

Figure 2 Social Responsibility initiatives at Infosys

Social Contract

Resource Intensity

Green Innovation

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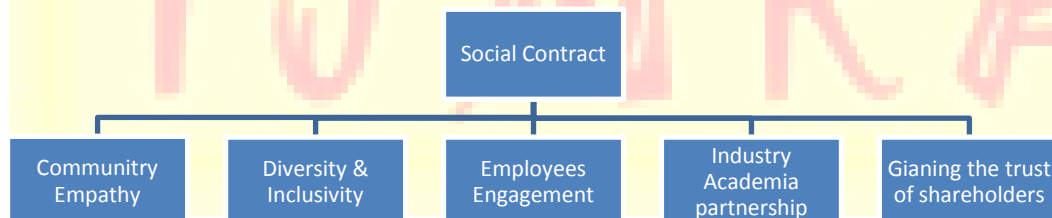**http://www.ijmra.us**

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Social Responsibility at Infosys, the distribution of wealth is as important as its legal and ethical creation. A strong sense of social responsibility is therefore an integral part of its value system. Infosys Foundation is committed to contributing to the society and established the Infosys Foundation in 1996 as a not-for-profit trust to support social initiatives. The Foundation supports programs and organizations devoted to the cause of the destitute, the rural poor, the mentally challenged, and the economically disadvantaged sections of the society.

Social contract

 Social contract is the just pursuance of humanism in all spheres of its business. Engaging stakeholders and ensuring that creates a sustainable tomorrow are an important part of this journey. It support and encourage employee participation across various Social Responsibility (CSR) initiatives. This program focuses on disseminating knowledge about advancements in IT, and their role in its growth, thus helping students to gain first-hand exposure to opportunities available for their studies and career planning.

Figure 3 Social Contract

Social Contract

| Communitry Empathy | Diversity & Inclusivity | Employees Engagement | Industry Academia partnership | Gianing the trust of shareholders |

Healthcare

The Foundation constructed the Infosys Super-specialty Hospital on the Sassoon Hospital premises in Pune. This hospital caters to poor patients. It has spread its donations for medicines to aged and poor patients suffering from cancer, leprosy, and defects of the heart/kidney, mental illnesses and other major disorders. It helps this section meet substantial medical expenses and

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assures them of a steady source of income for their treatment. The Foundation installed office management software at the KEM Hospital in Mumbai. This enables the hospital to manage store requirements, keep accounts as well as publish hospital papers and other information on the Web. Additional blocks have been built at the SwamiSivananda Centenary Charitable Hospital at Tirunelveli in Tamil Nadu. A dharmashala was constructed at the Kidwai Cancer Institute in Bangalore. The Foundation constructed a pediatric hospital at the Capitol Hospital in Bhubaneswar, which caters to poor patients. A CT-scan machine was also donated to the hospital

Additional wards were built at the Swami Shivananda Memorial Charitable Hospital in Pattumadai, Tamil Nadu. A hospital was built for tribals at H.D. Kote, Mysore. In Bellary, a hospital was constructed to treat patients with brain fever.

Resource efficiency

Infosys uses natural resources responsibly to protect the environment. Its resource efficiency framework is based on a smart approach to logistics, buildings and data centers. They encourage employees to develop a sustainable lifestyle through self-regulation and monitoring of activities on a sustainability portal. In Infosys quality department manages large change management initiatives to drive Quality and Productivity improvements across the organization. The institutionalization of these large initiatives is managed through the balanced scorecard and Infosys Scaling Outstanding Performance (iSOP) program. The Infosys Scaling outstanding Performance (iSOP) program has increased the accountability of business units and reduced energy and water consumption, and carbon footprint by 5%.it reduce its ecological footprint with sustainable practices across several areas:

➢ Green infrastructure, Infosys adds approximately 2-3 million sq. ft. of infrastructure annually. The new buildings across Development Centers (DCs) are based on Leadership in Energy and Environmental Design (LEED) standards. Structural designs are peer reviewed to ensure optimal use of concrete, glass and steel. Recycled materials such as bagasse-based table tops and aluminum frames for workstations are used wherever possible.

➢ Energy conservation, Infosys is one of the largest consumers of solar energy in India. They are undertaking a pilot project of micro wind turbines at Mangalore and Pune DCs, and evaluating the feasibility of meeting power requirements from green resources.

- Water sustainability is integrated in water management system optimizes consumption and recycles water in state-of-the-art treatment plants. Reservoirs, wells and roof-top basins across Indian DCs replenish ground water and harvest rain water.

- Replenishment of natural resources, one sapling is planted for every new employee at Infosys. In addition, Bangalore DC conducted a forestation program to plant more than 100,000 trees. It has realigned the processes to reduce consumption of paper. Campaigns such as 'Zero Paper Tissue Day' create awareness about responsible use of paper and reusable alternatives.

- Waste management has installed bio-gas chambers at Pune and Mysore DCs to generate energy from organic waste. Inorganic waste in recycled or reused at all the DCs.

- Green supply chain source raw materials from vendors located within a 500 mile radius, whenever possible. The procurement policy helps to identify vendors who reduce consumption of natural resources, promote talent diversity and adopt ethical work practices.

Green innovation

Infosys is focused on Green IT to improve the quality of life, protect the environment and transform business. From an enterprise cloud to smart grids within the campuses, they have piloted several green applications locally:

- In Green Energy Management, The application evaluates energy consumption patterns to identify opportunities for energy optimization. Automated data gathering and intuitive data visualization enable tracking and reporting of energy related data at consolidated and granular levels.

- Smart workplaces, intelligent cubicle design techniques and sensors provide volumetric lighting by detecting movement of employees and assessing body temperature to calibrate the intensity of light.

- Carbon footprint calculator, as the patent-pending, desktop personal carbon calculator measures an individual's carbon footprint and reports the carbon credits required to offset it. A sustainability portal guides employees on how to reduce their ecological impact.

➢ Responsible computing Terminator, the desktop application prompts employees to switch off their Personal Computers (PCs) towards the end of the day. PCs shut down automatically after a pre-defined idle period.

➢ Car pooling, the online tool facilitates group travel among employees. The tool is being shared with companies in the vicinity across the Development Centers in India.

Infosys is set to become carbon-neutral by 2012.its global customer's partner with it's to transform into low-carbon businesses. They reduce their carbon footprint by innovating across their product lifecycle. They have developed green IT solutions for companies across industries:

- Automotive: they redesigned the sub-frame assembly and reused components to enhance the fuel efficiency of semi-trailers at an automotive major.

- Manufacturing: they helped a global aluminum manufacturer save US$ 1 million per furnace annually by automating and integrating melt furnace operations using Wireless Sensor Networks (WSN) technology to reduce energy consumption.

- Telecom: Infosys improved scheduling and utilization of the field workforce at a leading telecom company in the Asia-Pacific region. It minimized operational costs and reduced truck rolls to customer premises by 50%, significantly reducing their carbon footprint.

- Insurance: the workflow-based document management system transformed underwriting into an automated business process for an insurance company. It realized annual savings of US$ 300,000 in office supplies and record storage, while drastically reducing consumption of paper.

- Resources: the integrated ERP solution automated the business processes of a South-East Asian forest resource and wood products company. It enhanced the reforesting program, optimized transportation across processing facilities and distribution networks, and reduced carbon emissions.

Environment

The Health, Safety and Environmental Management System (HSEMS) at Infosys is called the 'Ozone Initiative'. This project spreads environmental awareness and implements eco-friendly

practices across development centers worldwide. Further, this vision is supported by voluntary groups of employees organized into eco-clubs.

Water Management

Portable water is a depleting resource. It harvest rainwater and consistently reduces the use of fresh water. In addition, it recycles waste water to be reused for primary and secondary purposes. The amount of fresh water consumed this year was 3447062 K compared to 3339855 KL in last year. The figure shows the volume of water drawn from each sources from 2008-2011.


Figure 4 Water Consumption by sources (in cubic meter/annum)
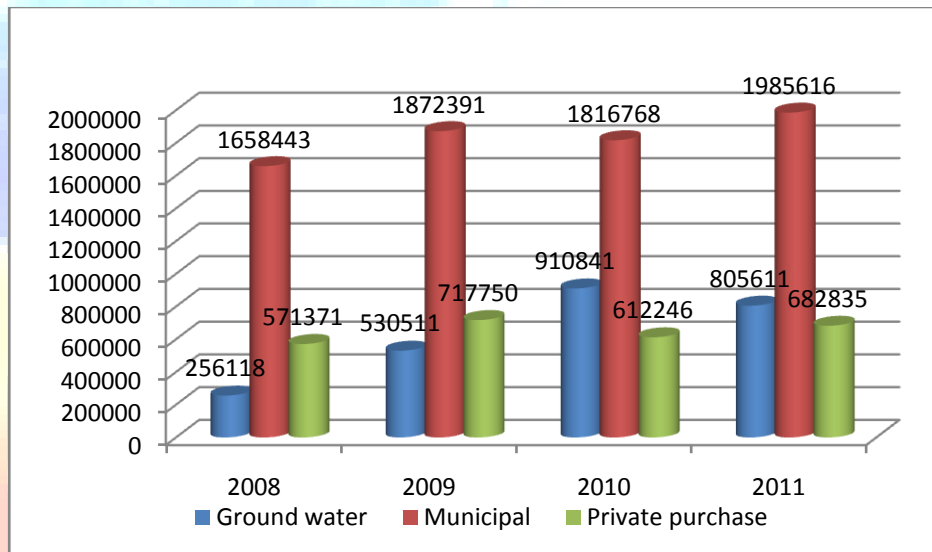
Energy Conservation

Infosys uses energy responsibly. It measures the utilization of energy through energy audits. The data collected is used to achieve increasing levels of energy conservation. The total energy consumption for Infosys operation in 2011 was 229.72 kWh. The energy consumption has resulted mainly from the use of grid power and diesel used for generators and for boiler applications. Infosys indirect energy comprises of grid power and fuel.

Figure 5 Electricity Consumption kWh (per capita per month)
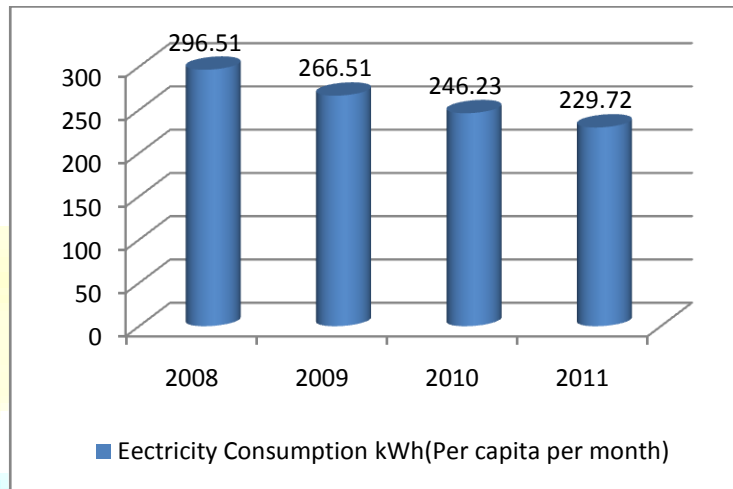

Waste Management

Waste is recycled scientifically. It reduces waste, segregate it at the source and dispose it at dedicated waste segregation and processing plants at each development center.

Waste management practices-

- ➢ Segregating waste at source.
- ➢ Using food waste from its food court to nearby piggeries
- ➢ Selling plastic waste to bona fide recyclers
- ➢ Recycling paper waste externally by approved recyclers.
- ➢ Sending hazardous waste such a soil, batteries and e-waste onyx to pollution control board approved agencies.
- ➢ Selling scrap to authorized scrap dealers.
- ➢ Sending biomedical waste to vendors with valid PCB approved.

Conclusion

A growing multitude of organizations are finding innovative and prosperous ways to grow their business while simultaneously helping people in need and sustaining our fragile planet. Infosys engagement in Social Responsibility activities can yield growth in market share, increased organizational learning, and retention of deeply engaged employees, support from external stakeholders and favorable relationships with investors. Infosys's involvement and commitment with Social Responsibility initiatives needs to be recognized through their social practices in social as well as environmental aspects. This persuasively communicates to companies the organizational value of pursuing and attaining the Social Responsibility objectives. By concluding this, Infosys, "adopt their stakeholders wherever they go".
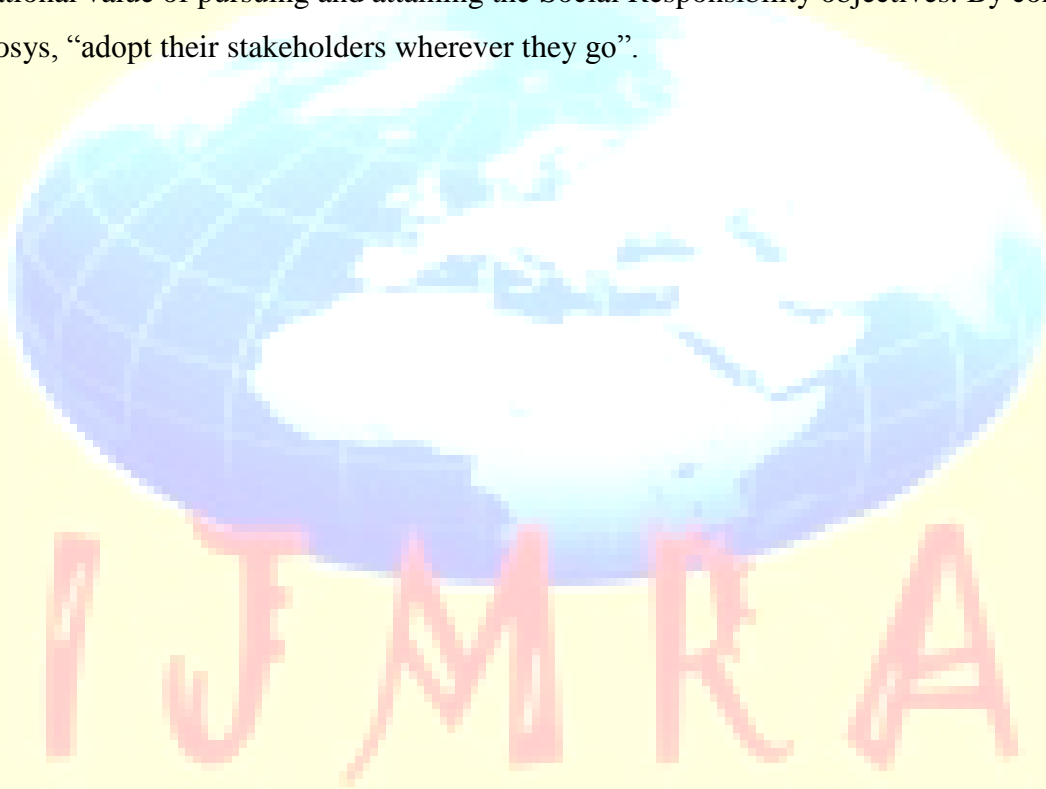
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