Gap Analysis in Employees and Customers Perspective towards Community Development Effectiveness - A Study of Infosys

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Abstract – It is an established fact that community development is positively correlated with economic development. All the stakeholders to community development endeavours of corporate sector viz the organisation undertaking it, community towards whom these are direct at and the government have started looking it as a game changer. Whereas corporate sector look it as a deal to invent for it the image of a true corporate citizen, the community and government sees it as tool for economic and social development. The success of any community development endeavour is dependent upon how the same is appreciated by community. If the community thinks of it as the company speaks about it the community development endeavour may be treated as successful. The present study has made an attempt to see if community development endeavours of Infosys, India's largest Information Technology (IT) Corporation are thought of us similar by community as the same are preached by its managers.

Keywords: Community Development (CD), Corporate Social Responsibility (CSR), Infosys.

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1. INTRODUCTION:

Corporate social responsibility has become a widespread practice all around the globe. The realization that companies have an ethical responsibility beyond mere profit- maximization, has led them to play an active role in environmental, ethical, social and economic causes. While CSR began as voluntary acts of goodwill and social charity, it has now taken the form of legal obligation in India. As per the Companies Act, 2013, Indian companies with a net worth of Rupees 500 crores, or a turnover of Rupees 1000 crores, or a net profit of Rupees 5 crores, are compulsorily required to spend a minimum of 2% of the average net profit for previous three financial years on CSR activities for doing good in the society (ITO, 2011). This mandatory nature of CSR and community development initiatives has been imposed by the Indian government in order to follow the principles of equity and fair income distribution (Hung et al., 2013). This legislation by India is a pioneering breakthrough in the field of corporate social responsibility, and carries further significance due to India's status as a developing country with a highly diverse socio-economic population (Karnani, 2013). Hence, it is crucial to look into the extent and nature of community development activities carried by major companies in India, and the strength of their performance in the same (Anarde, 2015). There is a crucial need to look into the effectiveness of

community development activities that are initiated by companies, and the overall perception of their success (Kaur, 2015). Existing research in this field has focused on the role of community development outlooks in corporate strategy, but limited literature is available that addresses the issue of gap in its effectiveness as perceived by employees and managers in a company. Further, the research gap is even wider in terms of related studies in developing countries, where community development programs have crucial implications for both the industry and the society in general. The present study seeks to cover these research gaps and provide a comprehensive gap analysis in the perspectives of employees and managers towards the success of community development activities by a company in Indian private sector. Researcher has chosen the acclaimed corporation, Infosys Pvt. Ltd. - as the focus of this case study.

Infosys engages itself inbusiness consulting, information technology and outsourcingservices.It is ranked 653rd in the Forbes Global 2000 list (2018), [ ],it can easily be said to be a crown jewel in Indian industrial landscape. Infosys has 82 sales and marketing offices and 123 development centres across the world as at March 31, 2018, with major presence in India, United States, China, Australia, Japan, Middle East and Europe. Further, its headquarters in Bengaluru, India and located in major cities like Bhubaneshwar**,** Chandigarh,

Chennai, Jaipur, Mangalore, Mysore, New Delhi, Gurugram, Hyderabad, Mumbai, Thiruvananthapuram, Pune**.** Infosys Chandigarh mainly indulged in Health and sanitation, Women Empowerment, Animal Husbandry, Agriculture, Environmental Sustainability, Water management, Education, Skills Enrichment Programmes, Bridging Digital Divide and Rural Sports and Culture in vast no. of villages i.e, Kishangarh, Shastri Nagar Slum area, Saketriand so on. In our study we focused on Women Empowerment (Cutting and Tailoring Program), Healthcare Programmes, and Computer Training Courses. As per the Business Sustainability Report 2017-18 [1] published by Infosys , the company's total CSR spending at Rs.289.44 crores has been above the mandated 2 percent of its total turnover in the financial year. Thus, the core values of community development are ingrained into the very threads of Infosys. It has high aims to become the world's largest IT sector major while integrating community development policies into its operations. It therefore poses an interesting case study to discover the effectiveness of policies adopted by Infosys to contribute to economic development of the nation while uplifting the society, through the perception of its employees and managers.

2.   LITERATURE REVIEW:

The term community has had wide connotations in academic discussions (Popple & Quinney, 2002). Community, as under the vast ambit discussed by Wilmot (1989), can be viewed in terms of three commonalities: shared local territory, shared history or other interests, or shared issues and conditions. Community development is the process of developing active and sustainable communities based on social justice and mutual respect (Ismail, 2009). The widely used meaning of Community Development is the one given by the United Nations (United Nations, 1971) in which community development is an organized effort of individuals who decide that a community be conducted in such a way to help solve community problems with a minimum help from external organizations. Cavaye (2006) envisions that Community Development is a combination of this wholesome idea of community with the concept of development, which means building upon five different spheres that form the essence of community strengths (Hulchanski, 2010). These five spheres include- financial, physical, human, environmental and social capital. Such community decisions are based on employment of resources like labor, financial capital, infrastructure, living environment, natural resources and knowledge awareness. Community development therefore is focused on improving all aspects of functioning and

quality of life among people- through joint interaction among people, and not merely individual activities (Ho, 2013). Community development is a process where local people can not only create more jobs, higher income and advanced infrastructure, but also help their community become fundamentally more capable to manage change. It is through participation in their community that people rethink their problems and expand contacts and networks; building social capital. They also learn new skills, building human capital. Furthermore, they develop new economic options, building physical and financial capital. They also can improve their environment. Sometimes, however, community development endeavors are also shaped by contemporary political scenarios. In United Kingdom, early community development models evolved from its use as a colonial tool- to further the domination of local communities (Popple & Quinney, 2002). The study was a reflection of the top-down approach in community development that could be seen in the benevolent paternalism shown by churches, universities or bourgeois philanthropists towards the working classes. The top-down approach is associated with the principles of 'rescue' and 'charity', where the dominant groups are called upon to bring stabilization and sustainability by providing aid to the disadvantaged communities. On the other hand, the bottom-up approach is based on 'activism' and 'revolution' tendencies, where disadvantaged communities raise demands for change in policy and practice to achieve equality of rights and opportunities. In America, community development endeavors found a significant push by the Roosevelt administration in the 1930s, which strove to bring progressive reforms dedicated to rural regions. The community development initiatives came in the shape of electric power dams, public housing projects, advanced agricultural awareness, and town planning (Hoffman, 2012). Other theories that guide community development endeavors offer different perspectives in the form of structuralism theory, consensus theory or pluralist theory. However, some ground principles of community development endeavors that are shared between these differing views can be listed as- public participation, community partnership, sustainability and ethical conduct (Latopa & Saidu, 2015).

Community development can be made effective through careful participation of all stakeholders. Companies look at the importance of community development programs as value-creation opportunity for its stakeholders, as vital to its operations as training for employees and product quality for customers (Porter and Kramer, 2011; Serafeim, 2013; Jain, 2014). Meanwhile, governments around the globe view community development endeavors as the fulfillment of the social contracts that forms the basis of their relationship with the citizens. Governments have been tasked with unending missions of maintaining

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[1]How Companies are spending on CSR proesct. Retrieved from:
<https://www.livemint.com/Companies/oyHdaJdn96pnmzdIFUIFNO/How-companies-are-spending-on-CSR-projects.html>. on 03 April2019.

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law and order, and providing better standards of life for people at a mass scale. The success of community development plans, such as subsidies, tax regulations, guidelines, or public schemes- forms the milestones that enable governments to secure public faith (Nidasio, 2004). Tuke et al. (2017) have examined community development initiatives as picked by local government authorities in Ethiopia. Researchers highlight that development practitioners, foreign donors and government officers are in consensus about the role of government bodies as valuable contributors to community development. According to the study, local government bodies serve as the center of economic, cultural, social, technological, and environmental development which effectively leads to community development. Individual sub-groups within the larger social community can also play important roles in initiatives for overall growth and advancement of the community. Such sub-groups are also seen as communities in themselves; researchers have looked at community development through the lens of educators (Brouwer et al, 2011), or virtual communities (Li, 2004). Community development is also brought on by institutions that preserve culture and heritage, such as libraries, museums and art centers. Thus, artists and local inhabitants are also included as important agents of community development (Tjarve and Zemite, 2016). Another stakeholder in community development initiatives is the corporate sector, which has witnessed a growing trend of community- centric projects of development through initiatives undertaken as part of corporate social responsibility (CSR). Companies' contribution to growth of community is not merely through profit-maximization, but also as proactive engagement with the social interests and issues of their stakeholders (Jamali & Mirshak, 2007). Visser (2006) states the importance of corporates as among the most well-equipped institutions to significantly contribute to improvement in social and environmental conditions of a community. Kundu (2014) has highlighted social awareness, ethical consumerism and philanthropy as key drivers of corporate initiatives for social development work. Ismail (2009) has linked CSR and community development in terms of employee engagement. Vastradmath (2015) has also called corporate efforts towards CSR as contribution to external community by fulfilling the needs of internal stakeholders such as employees. Thus, it is evident from existing research on this topic that to understand the factors that make community development endeavors successful, it is important to look at their significance for all major stakeholders- including corporates, governments and communities.

However, every category of stakeholders has faced its own unique challenges and hurdles in achieving the optimum effectiveness of community development endeavors. For instance, researchers (Tuke et al., 2017;) have pointed out that governments face several issues in bringing

widespread community development, such as, gap in community involvement, non-availability of funds, corruption, lack of training, and slow bureaucracy. In the case of corporate involvement in community development initiatives, researchers (Arevalo & Aravind, 2011) have claimed major hurdles to be in the form of lack of adequate funding, profit maximization challenges (Arato et al, 2016), or absence of a dedicated CSR team (Vastradmath, 2015). Schutte (2015) has studied the residents of a small community in Lebanon, to list the issues faced by them. Researcher discovered that a large number of people resignedly strived for economic survival, especially pensioners, or provision of common facilities like electricity, cheap public transport and medical care. Learning about these challenges and hurdles specific to every group is essential to identify the correct approach and solution to creating effective community development programs. Measures like good governance and autonomy to local government have been recommended to increase the success of community development endeavors. As per Loutit et al (2016), meaningful community involvement must be ensured in the decision- making process of initiating community development projects, especially where indigenous communities are involved as major stakeholders. However, corporate sector has much to contribute to the improvement of community development initiatives. Corporates that understand the responsibility of business that exists beyond the economic gains can prove to be an equipped caregiver of the community.

Employees in the corporate industry are also an integral part of the community. In this scenario, the perception of company employees becomes an important area of interest. Previous studies have indicated that employees have much to say about the CSR policies adopted by the company they work in. As employees are a huge mutual connection between corporates and surrounding community, it cannot be wrong to say that employees from both the subject as well as the object of a company's efforts towards fulfilling greater social responsibilities (Siltaoja & Malin, 2004). It therefore follows that in terms of community development efforts, employees can provide crucial perspective towards the effectiveness of its performance. Employees are internal stakeholders within the companies (Rodrigo and Arenas, 2008), while they are also a huge part of the external community around them (Sarna, 2016). Employee perceptions also shape and mold the way a company partakes in CSR (Choi et al., 2018). Onkila (2013) examined that the emotions of pride or embarrassment of employees are tied to CSR policies for their companies and proposed that CSR is a more emotional issue for the businesses and needs more sensitive solutions.Similarly, Kiefer (2012) found that the

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anticipation of change due to CSR policies develop negative emotions in the employees. Negative gap in employee perceptions about the company's efforts in building communities around it has an impact on the strategic thinking and decision- making of the company in terms of its direction towards enabling community development. The true success of community development endeavors does not lay in either the magnitude of its measures or even in goodness of intentions (Gangopadhyay, 2014). Community development endeavors can be claimed to be successful simply when such endeavors prove to be truly beneficial to the community, as perceived by the target community itself. When it comes to corporate strides in relation to community development goals, it cannot be denied that employees and customers of a company are also integral parts of the bigger community (Blunt, 2014). Existing research has focused on the role of community development outlooks in corporate strategy, but limited literature is available that addresses the issue of gap in its effectiveness as perceived by employees and managers in a company. Further, the research gap is even wider in terms of related studies in developing countries, where community development programs have crucial implications for both the industry and the society in general.

Thus, there is evidently a need for analyzing customer and employee perspectives for gaps in the effectiveness scale of community development initiatives adopted by companies. The present research seeks to remove this limitation in research literature. Keeping in mind the above mentioned studies regarding community development and role of companies and employees in its journey, the researcher has presented a gap analysis in employees' and customers' perspective towards community development effectiveness. This research shall therefore be contributing to the existing literature in the field by providing fresh direction to the topic of community development.

3. OBJECTIVES:

The study seeks to attain following objectives:

• To see how the employees of Infosys rate its community development endeavours.

• To see how the community at large view Infosys endeavours aimed at its development

• To find out if employees and community of Infosys keep similar opinion about its community development endeavours.

4. HYPOTHESIS:

Keeping in mind objective of study following hypothesis has been tested:

Ho = There is no significant difference in the opinion of employees and community of Infosys concerning effectiveness of community development programmes.

5. RESEARCH METHODOLOGY:

To see how the managers and employees view community development endeavours of Infosys and whether their views commensurate with each other, a self-structured and pre-tested questionnaire has been administered on employees and community members. Questionnaire includes ten statements derived after administering factor analysis on initial thought statements. The sample includes 50 employees of Infosys working at the level of manager and above. Similarly 100 community members chosen on basis of judgement of the researchers have constituted community sample.

The data so collected have been analysed using t-test to see whether community members keep a same opinion about community development endeavours as company's managers keep. Doing so effectiveness of CD programmes has also been judged.

6. FINDINGS AND DISCUSSIONS:

This section comprises the results of data analysis in detail. The main objective of the study was to measure the gap between the perceptions of employees and community members towards the Community development Programs of the Infosys. Gap has been analysed using independent sample t-test where community members and employees have been considered as the independent groups and p-value corresponding to the t-value shows the significant or insignificant difference in the perceptions of both the groups.

Table 1: Results of Gap Analysis

Statements	Employees		Community		t-value	p-value
	Mean	S.D.	Mean	S.D.		
CD programme has a positive bearing on standard of living	6.34	.627	5.35	1.028	-7.293	0.00
The area has attained economic development on account of CD endeavours of organisation	6.42	.536	5.27	.983	-9.250	0.00
The operation of the organisation has enhanced employability of the region	6.26	.694	5.11	.962	-7.519	0.00
The organisation takes adequate measures to ensure that environment is not adversely affected on account of its operations	6.10	.646	4.92	.883	-8.378	0.00
CD initiatives of the organisation are sustainable in a long run	6.50	.580	4.99	.846	-11.339	0.00
CD initiatives of the organisation have made people self-reliant for their own development	6.36	.484	5.01	.810	-10.840	0.00
People of the region feel empowered on account of CD initiatives of the organisation	6.16	.865	4.94	.801	-8.554	0.00
The people of the region feel that they are better off in having the organisation operating in their region rather than the same not operating in their region	6.46	.542	4.77	.862	-12.644	0.00
The people of region feel that they are better off than people of other region which are not under the purview of CD programmes of organisation	6.38	.779	4.94	.807	-10.488	0.00
The community at large feels that organisation continue to operate in the region for its betterment	5.98	.795	4.73	.951	-8.484	0.00

Following prominent conclusions can be drawn from the survey results as depicted in table 1

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- There is a significant difference in between employees and community image relevant to how these two stakeholders view effectiveness of community development efforts of Infosys. Whereas, employees with a mean score of almost 6 plus (out of maximum 7) on all selected framework have been found satisfactorily that community development endeavours of the organization are highly effective in attaining their objective, community at large has been found more restricted in giving positive reputation to the organisation.

- The results also indicated that community has positive response on over all aspect of economic development of society.

- The community, however, has some doubt about the effectiveness of parameters the organization is taking to ensure that environment is not adversely impacted by its operations and thus not continue their operations in the region for its betterment.

- It is contradictory to note that in-spite of just bit of appreciation Infosys has got on certain aspects of its community development endeavours, the community has doubts about it being better off with Infosys operating in the region. Further, community has shown no real inclination in Infosys continue to operate in the region for its betterment, Perhaps negative aspects of operation such as impurity in an environment and self-reliance among community are outweighing marginal positive results. The study indicated that community has some doubts about sustainability of community development endeavours of Infosys in the long run.

7. CONCLUSION AND POLICY IMPLICATIONS

From the discussion, it may be concluded that community of Infosys is not as flamboyant in its opinion as its employees are in considering the organization as an effective Community Developer. It is in the interest of Infosys and other such companies indulging in Community Development to:

- Continuously monitor their CD Endeavours.

- Consider a penny spent on CD as important as penny spent on their core business.

- Consider CD as an investment rather than a forced cost.

- Make employees and community at large partners in CD initiatives

- Make CD a sustainable activity.

Limitations and Future Scope: Current study is limited to one company only i.e. Infosys, while it can be extended to other companies also who are involved in community development Programs. Further, the sample size of the study was limited to 50 employees only, and 100 community members which are very small in comparison to the employees working in the organization and community members who are living in the region. Sample size can be extended to have generalized results, as based on one company sample results cannot be generalized for other companies.

Practical Implications: The study is mainly useful for the policy makers and the management who are involved in the planning of CSR activities of the company. Study clearly showed that community members do not have same opinions as of the employees of Infosys towards the CD programs. It shows that there are still many areas where the company need to work out for making its CD initiatives sustainable and beneficial for the community members. Major concern is related to the environment, as community members do not find the measures taken by Infosys adequate to reduce environmental harm. Under CSR activities environment protection should be the first and foremost area to be worked out by any company to benefit the community members.

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