A COMMENTARY ON THE LEADING INFORMATION TECHNOLOGY COMPANIES’ APPROACHES TO CORPORATE SOCIAL RESPONSIBILITY

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Abstract

The emergence of digital technologies is seen to be vitally important in driving future economic development, but they may have damaging implications for society. This contradiction begs the question of how leading information technology companies, that play an important role in developing, disseminating, promoting, and facilitating the digital technologies, address social responsibility. The aim of this commentary paper is to shed some light on this question by reviewing how the leading information technology countries publicly approach corporate social responsibility. The paper describes how the companies emphasised their commitment to corporate social responsibility and evidenced that commitment in a variety of ways, before offering some wider reflections on the role of corporate social responsibility within the economy and society.

Keywords. Corporate social responsibility, digital technologies, Information technology companies, environmental sustainability, economic growth.

Introduction

The continuing emergence of digital technologies, that enable immense amounts of data to be compressed and stored in small storage devices and to be transmitted at very high speeds, is predicted to have a range of profound impacts for human society. Accenture (2020), for example, argued ‘digital innovation and the rapid adoption of new technologies are changing everything - the way people work, how they live and what the future will look like’, while the United Nations (2020) argued that ‘like generations before, we – governments, businesses and individuals – have a choice to make in how we harness and manage new technologies.’ On the one hand, the digital technologies, for example, the Internet of Things, artificial intelligence, and robotics, are seen to be vitally important in driving future economic development, while on the other they have profound, and potentially damaging, implications for society. This potential contradiction begs the question of how the major information technology companies, that play an important role in developing, disseminating, promoting, and facilitating, the digital technologies, address their social responsibilities. The aim of this commentary paper is to shed some light on this question by reviewing how the leading information technology companies, publicly address corporate social responsibility, and offering some wider reflections on the role of corporate social responsibility within the economy and society. The paper draws its information from the corporate websites of the ten leading information technology companies, namely, Microsoft, IBM, Oracle, Accenture, Hewlett Packard Enterprise, SAP, Tata Consultancy Services, Capgemini, Cognizant, and Infosys, and employs selective quotations from their most recent corporate social responsibility reports on these websites, in the belief that this approach helps to convey corporate authenticity.
Corporate Social Responsibility

In simple terms corporate social responsibility is concerned with the integration of environmental, social, economic, and ethical considerations into business strategies and practices. However, there are many definitions of corporate social responsibility and well over a decade ago, Dahisrud (2006) identified 37 definitions. Brown and Dacin (1997) suggested ‘corporate social responsibility associations reflect the organisation’s status and activities with respect to its perceived societal obligations.’ More recently, Renouard and Ezvan (2018) ‘conceive corporate social responsibility as a responsibility towards human development in two complementary ways: (a) a holistic responsibility shared by companies together with other actors to safeguard humanity and (b) a direct liability of each company for its impact on stakeholders’ capabilities.’ Although corporate social responsibility has gained increasing momentum across the business community during the last two decades, the underlying concept has a long history. Sadler (2004), for example, argued that ‘the definition of the functions of the corporation with relation to wider social and moral obligations began to take place in the centres of capitalist development in the 19th century.’

The conventional business case for corporate social responsibility is seen to focus on a wide range of potential benefits. These include improved financial performance and profitability; reduced operating costs; long-term sustainability for companies and their employees; increased staff commitment and involvement; enhanced capacity to innovate; good relations with government and communities; better risk and crisis management; enhanced reputation and brand value; and the development of closer links with customers and greater awareness of their needs. However, there are those who would champion the case against companies integrating CSR into their core business. Such arguments might follow Friedmann (1982) in affirming that ‘there is one and only one social responsibility of business-to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say engages in open and free competition without deception or fraud.’ More generally Kitchin (2003) argued that CSR is ‘too narrow to engage management attention, too broad and unquantifiable to be taken seriously by the financial community and just woolly enough to be exploited by charlatans and opportunists.’

The three dominant theories that have been used to analyse and explain corporate social responsibility have been succinctly summarised by Moir (2001). Stakeholder theory suggests that it makes sound business sense for companies to understand the needs and aspirations of all their stakeholders be they investors, governments, employees, communities, customers or suppliers and that these needs and aspirations should be reflected in corporate strategy. Social Contracts theory asserts that companies may pursue corporate social responsibility not because it is in their commercial interests but because it is how society expects companies to operate. Legitimacy theory stresses that society grants power to businesses and it expects them to use that power in a responsible manner.

Corporate Social Responsibility Agendas

The leading information technology companies emphasised that corporate social responsibility was embedded into their corporate culture and integrated across the whole span of their business activities, and that it was also crucially important in generating
business benefits and creating shareholder value. In her ‘Message from Our Chief Executive Officer’, which provided the foreword for Oracle’s ‘Corporate Citizenship Report’, Sapra Catz, claimed ‘good corporate citizenship means being intentional and thoughtful about the value we generate as a company— not only for our shareholders, but also for our people, our planet and future generations’ and that ‘we are proud to leverage our greatest assets —our technology and our people — to change lives around the world’ (Oracle 2019). In a similar vein, Satya Nadella, Chief Executive Officer of Microsoft emphasised ‘at its core, responsibility is about earning the trust of the customers and partners we empower and the communities in which we live and work. Without trust none of our progress is possible’ (Microsoft 2019). More specifically, in addressing ‘managing our supply chain responsibly’, IBM (2020), reported that the company’s global massive spending power ‘presents an opportunity to promote our company’s values and help drive progress in environmental and social responsibility throughout our supply chain.’

In evidencing such commitments, the leading information technology companies look to address a variety of corporate social responsibility agendas, including, environmental sustainability; human rights; responsible sourcing; employees well-being, inclusion and diversity; the digital divide; privacy and cybersecurity; corporate governance; ethics; and philanthropy and volunteering, and the COVID-19 pandemic. In focussing on environmental sustainability, the information technology companies identified several challenges, but climate change was the dominant issue. Accenture (2020) argued ‘climate change increasingly is affecting living and working conditions around the world and now is the time to act. We are seeing impacts on the environment, our clients, our business, our communities and our people – and are committed to playing a leading role in the transition to a low-carbon economy through our actions.’ Further in recognising that ‘addressing the fast changing and future realities of climate change is a priority for our clients and suppliers’, Accenture (2020), outlined several ways in which the company was ‘driving towards the low-carbon economy’, including reducing greenhouse gas emissions, managing waste, advancing energy efficiency, tackling business travel, increasing the use of renewable energy and transitioning to the circular economy. Cognizant (2020) reported ‘as responsible stewards of the environment, we strive to protect our resources for the future and to enhance the quality of life for our associates and for the global community’ and that ‘we focus on protecting and preserving the environment in which we live and work while delivering meaningful cost savings from greater energy.’

IBM reported on a range of its activities, including reductions in carbon dioxide emissions, energy conservation and a greater focus on renewable electricity. In the year 2018 to 2019, for example, the company reported reducing carbon dioxide emissions by just over 11%, and a reduction of just under 40% in emissions since 2005. At the same time, IBM recognised that the best way to reduce its carbon dioxide emissions was by making its operations more efficient with the focus here, being on reducing energy consumption and the company reported reducing its total energy consumption by 4.5% between 2018 and 2019. More specifically IBM reported delivering some 1,600 energy conservation projects at over 200 locations and the avoided emissions were equivalent to taking 10,000 cars off roads. IBM has also been increasing its consumption of renewable electricity, which now accounts for 47% of the company’s total electricity consumption. Infosys (2020) reported its
commitment ‘to increasing the share of renewable sources in our total energy consumption’ and that ‘renewable energy is the second important step for us, after resource conservation, for minimizing our carbon footprint.’

A corporate commitment to human rights was explicitly emphasised by several of the information technology companies. Microsoft (2019), for example, claimed ‘we aim to respect human rights in the way we do business and to advance those rights with the power of technology’, that the company ‘aspires to leadership in business and human rights and to serve as a catalyst for others – in the technology sector and beyond’ and that ‘a focus on human rights helps our employees to make good decisions and ethical choices, and builds trust with our customers and partners.’ More specifically IBM (2020), reported that the company ‘firmly opposes uses of any technology for mass surveillance, racial profiling, violations of basic human rights and freedoms, or any purpose inconsistent with IBM’s values and principles of trust and transparency.’ Hewlett Packard Enterprises (2019) asserted its beliefs that ‘the basic freedoms and standards of treatment to which all people are entitled are universal’ and ‘upholding these rights is fundamental to our values.’

The leading information technology companies reported that their approach to their supply chains offered an important opportunity to pursue progress in pursuing a range of corporate social responsibility goals. In addressing ‘responsible sourcing’, Microsoft, for example, claimed, ‘we work to ensure that our suppliers operate in a socially, environmentally, legally and ethically responsible manner’, and to ‘improve our suppliers and stakeholders social and environmental performance.’ SAP (2019) reported ‘a significant part of our social and environmental impact is delivered through our supply chain’ and that the company worked ‘to minimize any negative impacts associated with our supply chain. From eliminating single-use plastics, decreasing CO2 emissions, and reducing oversized packages to an asset upcycling model for our cloud assets, close collaboration with our supplier network is paramount in ensuring that our supply chain is sustainable.’ In outlining its approach to ‘sustainable procurement’, Capgemini (2020), emphasised that it profiled the environmental impacts of its suppliers’ operations, products and services. Accenture (2020) argued that ‘by incorporating diverse businesses into our supply chain, we gain access to innovative, responsive and cost-competitive solutions for our clients.’

The companies’ relationships with their employees was reported as a major feature of their approach to social responsibility. Under the banner, ‘Investing in People’, Hewlett Packard Enterprise (2019) claimed ‘our people are our greatest asset’, ‘we are committed to being unconditionally inclusive to capture the ideas and perspectives that fuel innovation and enable our workforce, customers and communities to succeed in the digital age’, and ‘when our team members succeed, our company thrives – making employee engagement a priority.’ More specifically, Hewlett Packard Enterprises outlined its policies on inclusion and diversity, employee development, engagement and well being and health and safety. Rajesh Gopinathan, Tata Consultancy Services’ Chief Executive Officer and Managing Director, for example, claimed that ‘our core competence is our ability, to attract, train, retain and engage the best talent across the world’ (Tata Consultancy Services 2020). In a similar vein Oracle (2019) reported ‘our success is driven by our people’, and claimed ‘our people create the future, by designing, developing and delivering solutions that are transforming how the world uses and manages information.’
Some companies also reported on employee engagement as part of their corporate social responsibility programmes. Accenture (2020), for example, suggested ‘now more than ever, people want to work for a company that shares their values’ and claimed ‘at Accenture we challenge one another every day to be leaders in sustainability, making climate change choices at work, at home, and in our communities’ and that ‘our internal network of eco-champions across nearly 70 countries promotes emissions reduction, climate mitigation, circular economy and biodiversity, through a mix of virtual and in-person events, challenges and volunteer opportunities.’ Capgemini (2020) reported ‘our approach to mobilizing our people includes a focus on three areas: education, engagement and empowerment’ and that ‘our environmental program is underpinned by a strong focus on engaging our team members.’

The increasingly high profile issues of privacy and cyber security feature in many of the leading information technology companies’ corporate social responsibility reports. Microsoft (2020), for example, emphasised ‘we recognise privacy as a fundamental human right’ and claimed ‘we work to preserve our customers’ ability to control their data’ and that ‘we commit to working collaboratively across industry, governments, educational institutions and NGOs in the fight to protect privacy and cybersecurity for individuals and businesses around the globe.’ Microsoft (2020) also outlined the scale of the implications of their commitments, and in arguing that ‘cybersecurity is one of the most critical challenges we and our customers face’, reported ‘we’re working to protect our customers by analysing more than 6.5 trillion signals each day, processing 450 billion authentications and scanning 400 billion emails for malware and phishing each month.’ Hewlett Packard Enterprise (2019) emphasised ‘as the possibilities of data continue to grow, so do the threats against its security’, and reported ‘we defend against cybercrime at every step of our value chain. This keeps our customers; data and systems secure – helping to protect them against the financial and reputational damage of a breach.’

In focusing on the digital divide, Microsoft (2020), argued ‘as a global technology company we believe we have a responsibility, and a great opportunity to help close the broad band gap that exists in the US and across the globe.’ Further Microsoft (2020) recognised that elimination of the broadband gap requires the deployment of low cost technology at scale’ and reported ‘we partner with equipment makers, Internet and energy access providers, and local entrepreneurs to make affordable broadband access a reality for communities around the world.’ Capgemini (2019) reported ‘our programme covers a range of initiatives that take a progressive approach to digital inclusion’ and that it was ‘leveraging our innovation and technology capabilities to develop solutions to address society’s biggest challenges.’ More specifically, Tata Consultancy Services (2020) outlined its Adult Literacy Programme, which focuses upon its 3R’s, namely ‘Reading, wRiting, and aRithmetic’, first launched in 2000, with the ‘intent of making the semi-literate and illiterate masses of India functionally literate in their native language.’

Volunteering and philanthropy programmes also contributed to the leading information technology companies’ approaches to social responsibility. Accenture (2020), for example, suggested that ‘volunteering offers our people the opportunity to make an impact that is personally meaningful to them in the communities where they work and live.’
More specifically, Accenture reported on its employees’ volunteering activities in digital mapping of people and buildings in Tanzania, in organizing events to help students to develop their technology skills, and in working on a marine turtle conservation project in the Philippines. Under the banner ‘Sincere and Effective Philanthropy’ Oracle (2019) reported ‘our focus areas’, namely education, community, and environment. In focusing on community for example Oracle reported its support for not for profit organisations that provides health and human services, assist families and people in need, and strengthen the infrastructure that supports a healthy society’ (Oracle 2019). Oracle’s environmental activities were focused on the marine environment, tree planting, animal conservation, waste management and more widely on environmental education.

Those information technology companies whose most recent corporate social responsibility report were published in 2020, outlined their contributions to tackling the COVID-19 pandemic. IBM (2020), for example reported that the company had ‘shared resources, formed alliances and deployed solutions to meet the complex urgent challenges of COVID-19.’ In illustrating this contribution IBM report on its joint work with the US Government, industry and academics to provide free access to supercomputing capacity in support of COVID-19 research and on how it shared its experience and resources to help millions of school children with remote learning. In a similar vein Infosys (2020) reported ‘working with various governments, regulatory and travel authorities and medical experts on evolving advisories and guidelines’, as well as its work ‘to secure the financial and operational resilience of the company.’

Reflections

The leading information technology companies report positively on their commitments to corporate social responsibility, and they look to evidence their commitments in a variety of ways, but three wider sets of issues merit reflection and discussion. Firstly, there is an issue about the tension between corporate social responsibility and economic growth. Within the information technology companies’ commitment to corporate social responsibility there is a common emphasis on environmental sustainability, and here the underlying goal might be seen to protect and maintain environmental and ecological resources for future generations. However, many of the companies’ commitments to corporate social responsibility are also seen to be important in driving and facilitating economic growth, which depends, in part, on the continuing exploitation of scarce natural resources. As such the leading information technology companies might be seen to pursuing two contradictory sets of goals under the common banner of corporate social responsibility.

More generally, attempts to reconcile continuing economic growth and sustainability are often couched in terms of decoupling and technological innovation. The idea of decoupling, seen as either relative or absolute decoupling (the former refers to using fewer resources per unit of economic growth while the latter refers to a total reduction in the use of resources), underpins the vast majority of current corporate sustainability strategies and programmes. However, decoupling is seen by some critics as an elusive goal and Conrad and Cassar (2014) suggested that ‘a substantial body of research has cast doubts on whether countries can truly grow their way out of environmental problems, while Alexander et al.
(2017) argued ‘the decoupling strategy cannot lead to a growing global economy that is just and sustainable.’ Arguably more radically Jackson (2009, webpage) concluded a discussion of what he described as ‘the myth of decoupling’ by arguing that ‘it is entirely fanciful to suppose that deep emission and resource cuts can be achieved without confronting the structure of market economies.’ Approaches to reconcile economic growth and sustainability rooted in technological innovation are often focused on increasing energy efficiency, reducing greenhouse gas emissions, reducing waste and facilitating the transition to a more circular economy, and such approaches certainly strike a positive chord with the information technology companies corporate social responsibility reports. However, Huesemann (2003) argued that ‘improvements in technological eco-efficiency alone will be insufficient to bring about the transition to sustainability’ and Schor (2005) suggested that ‘the popularity of technological solutions is also attributable to the fact that they are apolitical and do not challenge the macrostructures of production and consumption.’

Secondly, at the time of writing, the COVID-19 pandemic, poses a major challenge for the information communication technology companies. On the one hand, for example, Ting et al. (2020) have suggested that digital technologies can contribute to traditional public health strategies in the monitoring, surveillance, detection, and prevention of COVID-19 and in mitigating its impact, and as outlined earlier some of the leading companies have reported on their contributions to tackling the pandemic. On the other hand, COVID-19 has exposed some of the fragilities at the boundaries between people and nature and highlighted the environmental limits that ultimately circumscribe human activities, and it may pose wider opportunities and challenges for approaches to corporate social responsibility. More specifically, the pandemic might be seen to have opened a window on what some advocates see as a more sustainable world.

In acknowledging ‘we are now struggling to anticipate the impacts of COVID-19’ as ‘major financial markets are gyrating and international supply chains are in turmoil’, Cohen (2020), for example, pointed out that ‘while the present situation is being treated as an emergent economic crisis, it merits acknowledging that sustainability scientists and policy makers have implicitly been seeking to achieve over the past decade broadly similar objectives, in the form of a sustainable consumption transition.’ Further, Cohen (2020) argued ‘while it may seem fanciful and insolent, Covid-19 is an opportunity to reduce over the longer term the prevalence of lifestyle premised on large volumes of energy and material throughput’ and concludes ‘policy makers should work to ensure that the coronavirus outbreak contributes to a sustainable consumption transition.’ Such a transition would surely demand major changes in the current business model of information communication technology companies.

Thirdly, there are issues about the responsible use of technology and the role of corporate social responsibility within society and the economy. Several of the leading information technology companies emphasised their responsible use of technology and look to evidence the exercise of that responsibility as a force for good, as an integral part of their commitment to corporate social responsibility. As such the companies’ approaches would seem consistent with the stakeholder theory and social contracts theory, mentioned earlier. However, there are some questions, posed more often outside the business and
management literature than within it, about whose interests are best served by these commitments, and some deeper concerns about the role of corporate social responsibility within modern societies. Hanlon and Fleming (2009), for example, argued that corporate social responsibility ‘includes a multifaceted set of corporate practices that attempt to attend to the ethical implications of the firm’, but that in the business and management literature, a potentially important contradiction, namely ‘whether the business enterprise can do good for society as well as make profits for itself’, receives little attention.

Many of the policies pursued under the corporate social responsibility banner are seen to be important in supporting corporate strategy and in promoting and facilitating business strategies and goals. This dominant underlying business focus is illustrated by in a number of the information technology companies’ corporate social responsibility reports. Accenture (2020, p. 57)), for example, reported ‘our commitment to ethics, human rights and strong corporate governance is a key element of our business strategy and is essential for growth, market differentiation and the safeguarding of our people, clients, brands and financial performance.’ At the same time there are links to legitimacy theory, mentioned earlier, which maintains that companies pursue social responsibility policies and programmes to present a socially responsible image that legitimises their business activities to their stakeholders and more widely within society. Hanlon and Fleming (2009), for example, argued that ‘corporate social responsibility is good business in that it serves to affirm the legitimacy of the companies’ and this is important in the context of the widespread cynicism and political opposition that corporations have attracted in the last few years.’ More radically, Hanlon and Fleming describe ‘corporate social responsibility as a predatory form of extending corporate power under late capitalism’, while Hanlon (2009) argued that ‘corporate social responsibility represents a further embedding of capitalist social relations and a deeper opening up of social life to the dictates of the marketplace.’

Conclusion

This commentary paper has reviewed how the ten leading information technology companies publicly have addressed corporate social responsibility and offered some wider reflections on the role of corporate social responsibility within the economy and society. The selected companies emphasised their commitment to corporate social responsibility and they evidenced their commitment in a variety of ways including their policies on climate change, responsible supply chain management, employee well-being and inclusion, privacy and cybersecurity, and philanthropy and volunteering. At the same time, the authors raised some wider issues, including, the tensions between environmental sustainability and continuing economic growth, the impact of the potential impact of the COVID-19 pandemic, and the role of corporate social responsibility within society and the economy. The leading information technology companies’ approach to corporate social responsibility may well become an increasingly important issue, for management and public affairs scholars and practitioners. In continuing to explore and analyse that approach, a wider focus on the political economy of corporate social responsibility may reveal important, if both uncomfortable and contested, issues.
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