

Organisational directions of infosys technologies



Infosys is one of the leading software company originated from India. It is widely spread all over the world with lots of branches in different countries. Infosys technologies ltd is founded in 1981 with Bangalore as its head quarters. It developed gradually and became one of the leading software industries. It provides consulting and IT services to clients worldwide. The annual income of Infosys has developed gradually and achieved \$500 billion in 2002. The main reason of the company is it mainly focused on structuring applications which made the company to reach the greatest heights in the software industry. It employs about 17, 000 employees worldwide in which 10, 000 are software professionals. Airbus, Cisco, Nordstrom, Boeing are some of the prestigious companies which are in the list of 116 clients of Infosys in the year 2002. It recruits new talent every year by conducting campus interviews in engineering colleges all over India. In this research paper, we will discuss about the topics like organisational strategy aims, objectives, their vision, mission, changes to be made, stakeholders, their differences and stakeholder's effects on the organisations. We will draw a framework for strategic stakeholder management. we will also discuss about the organisational environment, porter's five force model, PESTLE analysis, SWOT analysis etc and we will explore the key issues of each force of porter's force. We will discuss about the internal strengths and weaknesses of SWOT analysis in an organisation and also its external opportunities and threats.

ORGANISATIONAL STRATEGY AIMS AND OBJECTIVES:

Infosys follows the TCoE strategy to cater its testing needs and to improve its IT operations. TCoE is nothing but testing centre of excellence. To

concentrate on the testing, it is separated from the development and business teams to a centralised testing team. The TCoE strategy will help the organisations in achieving working excellence. The organisations can give great competition to the other organisations in developing new products within short time.

The TCoE model proposed by Infosys can cover all the following points.

It can provide better customer satisfaction due to increased quality of software.

More return of investment kept on software testing

The production support cost can be decreased.

Marketing the new functionality could be done in less time

It can guarantee better performance culture and more job satisfaction

Vision of Infosys:

The vision of Infosys is to grow globally and be the best commercially and morally.

It mainly aims to gain honour in all features of its business conduct. It developed a C-life principle to explain this.

Customer Delight

Lead by example

Integrity and Transparency

Fairness

Excellence

Source: www.infy.com

Mission:

The TCoE strategy should help the organisation to set the level of commitment to testing and must be attached to the functions through projects, rewards, actions.

To develop and keep hold of organisational commitment to the TCoE initiative, small deliverables revealing the business value are necessary. The staff which plays main role in developing a product must be rewarded to encourage them and make them more indulged in the organisation's development. The staff must be rewarded based on their work and dedication towards the company. Though there are a lot of factors which are necessary in manufacturing a product, employee is the most important factor. So, the organisation must be very careful while choosing the employees. The organisation must be very careful while providing customer services. The organisation which provides customer services to field consultants and clients with a good control will be ahead in reaching its product into the market and people. Infosys is one such company which provides the best customer services through which it gained good name in the market as well as in the minds of the people.

The strategic values are very important for an organisation in the present competitive world. A company should have its own strategies to survive in <https://assignbuster.com/organisational-directions-of-infosys-technologies/>

Employees, customers, investors and shareholders come under the primary stakeholders. These stakeholders involve in the survival and development of the organisation. Everybody will have their own roles and works to do in the organisation.

Secondary stakeholders:

Media, non-governmental organisations along with some other groups come under secondary stakeholders. These stakeholders does not involve in the organisation's development or survival.

These primary and secondary stakeholders will apply a lot of pressures on the organisation [Waddock et al., 2002]. The customers who are unhappy with the organisation will not show any urgency for the products than the negative stories will damage the business (Thomas et al., 2004). The stakeholders are also classified as active and passive stakeholders, narrow and wide stakeholders, legitimate and illegitimate stakeholders, recognised and unrecognised stakeholders. The key expectations of stake holders are the success criterion, whether their interests and thoughts are met and consistent delivery etc.

The primary and secondary stakeholders will have a lot of misunderstandings in different areas of the organisation. They may have conflicts while taking a decision about the project. The stakeholders with high influence will affect the project in many ways. The organisation needs the support of such stakeholders. There may be conflicts between the stakeholders about the quality of the product, cost of the product. If the quality of the product is not

good, the customers will not be happy who primary stakeholders are. The conflicts can arise between

Different stakeholder groups: The conflict of interest is one of main conflicts between the stakeholder groups. It is very difficult to make these both groups work together.

Having client as a stakeholder in the groups: there may be conflicts between the client who is a stakeholder and the stakeholders group. The interests of client may not be liked by the stakeholders group. Here, the conflicts may rise between the client and the stakeholder.

Personal interests and stakeholders interests: The personal interests of the organisation may conflict with the stakeholders groups along with the clients. These conflicts may rise due to the difference in the moral values or due to the financial values.

These conflicts between the stakeholders will affect the organisation in different ways. The organisation will face problems in achieving its goals and objectives. The conflicts between the clients and stakeholders will bring bad name to the organisation as well as to its products. The organisation cannot concentrate on its goals due to these conflicts and it cannot implement its strategic activities due to these conflicts. Infosys which is a leading software company makes sure that these types of conflicts will not rise in the organisation. It takes necessary steps to include the stakeholders in the strategic decision makings of the organisation and also in different types of activities that takes place in the organisation. By this type of conflicts, the performance of an organisation will be affected.

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We know that suppliers are one of the important stakeholders of an organisation. If these stakeholders increase the cost of supply, it will have a huge affect on the organisation. In order to sustain the high cost of supply, the organisation will increase the cost of the products which will affect the customers, who are other important stakeholders of the organisation. This results in the decrease of the customers.

STAKEHOLDER MAPPING:

Stake holder mapping is one of the strategic business tool which helps in identifying and measuring the effect of stakeholders in an organisation. It will examine the power of the stakeholders have in the organisation and their likeliness to use that power. It also examines the level of interest they had in the organisation's activities.

Framework for stakeholder management in Infosys:

Stakeholder

Relationships

Organisations

Performance

Organisations

Strategy

The above figure is a small framework which shows the stakeholder management of Infosys. From the above figure, we can say that the

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stakeholders must be involved in the organisation's strategy to increase the performance of the organisation.

Process of identifying key stakeholders:

While identifying the key stakeholders we have to concentrate on different aspects. The organisation must be able to identify the potential beneficiaries, who are adversely impacted, finding the supporters and opponents of the project, relationships among the stakeholders. By identifying the above attributes it will be easy to find the key stakeholders. These key stakeholders will be very interested in the organisation's events and are useful in the development of the organisation.

The following figure will explain the power and interests of the key stakeholders.

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Source: G. Johnson & K. Scholes, Exploring Corporate Strategy, Financial Times/Prentice Hall, 2002.

The above figure represents one of the stakeholders mapping which consists of four main groups. They are

Group a:

Less effort is required by the organisation

Group b:

This group of stakeholders have high interest in the organisation's activities but little power to control.

Group c:

This group of people have less interest in the organisation's interests and they don't recognize the degree of effect they had on the organisation. As they have less interest, there won't be any disruption by them.

Group d:

This group of stakeholders have a great interest in the organisation's activities and they even have the power to affect the company, so these stakeholders must be satisfied first.

Structure evaluation of the organisational strategic position:

The above figure shows the organisational strategy and the factors that influence in analysing, choosing and implementing a strategy in an organisation.

Strategic mapping??

ORGANISATIONAL ENVIRONMENT:

The current strategy followed by the Infosys organisation can mostly cover the areas like competitive environment, external climate and globalisation. By following the current strategies the organisation will be able to compete with the other organisations to achieve their goals. It will be able to cope up with the external climate and may be able to survive in this world of globalisation. But it is not possible to go deep to cover up all the areas as the <https://assignbuster.com/organisational-directions-of-infosys-technologies/>

organisations are huge and vast. The current strategy i. e., TCoE strategy followed by Infosys can satisfy the porter's five forces, components of PESTLE analysis.

PORTER'S five forces:

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The five forces are threat of new entrants, threat of substitute products or services, bargaining power of buyers, bargaining power of suppliers and rivalry among existing competitors.

Key issues of Threat of new entrants and their potential:

The threat of new organisations on the organisation is less unless it is established with great investments:

The threat of new entrants to Infosys is very less because Infosys is already a well established organisation with a number of branches. It is not possible to any new organisation to compete with Infosys over night unless it is established with huge investments.

If the new entry costs more i. e., the cost of latest technology is more:

The threat of cost of technology is also less on Infosys because as it is a big company with lot of financial assets and income, it is able to capture any latest technology without any problem.

If new laws are introduced:

The threat of new laws may affect Infosys because if the new laws introduced are able to weaken their competitive position then this may help other organisations to attract customers and this will affect the organisation's growth.

If competitors are strong:

If the competitors are strong and have excellent staff with them then the threat of new competitors is high on Infosys.

Key issues of bargaining power of buyers and their potentials:

buy in large amounts:

if the buyers can buy the goods or products in large amounts then they can demand the organisation as they want. Thus, the bargaining power of buyers is high on Infosys.

Undifferentiated small suppliers:

If the buyers have got more small suppliers then the buyers will have more options to buy the product and it will affect our organisation making the buyer's power high.

Switching cost is less:

If the switching cost between the suppliers is low then the buyers can shift from one supplier to another supplier if their demands are not met.

Key issues of the power of suppliers and their potentials:

The power of suppliers is reverse to the power of the buyers

Switching costs are high:

If the switching costs are high then the buyers cannot shift from one supplier to another supplier easily making the supplier more powerful.

Brand value:

The power of suppliers will be high if their brand value is great and got good name in the market.

Unique suppliers:

The power of suppliers will be high if their products are unique and if it is difficult to get them from other suppliers.

Key issues of the threat of substitutes and their potentials:

Product to product substitute: The threat of substitutes will be high if product to product substitutes are available in the market. This will be high on Infosys if there are substitute products for the organisation's products available.

Cost of switching to substitutes:

The threat of substitutes will be high if the cost of switching to substitutes is less. This will make the buyers think of opting to substitutes which is not good.

Key issues of competitive rivalry and its potentials:

Structure of competition: the competitive rivalry will be high if there are more competitors who are equally strong.

Exit barriers: if obstructions for leaving an industry are high then competitive rivalry will be less.

PESTLE FRAMEWORK: