

Review strategic aims
and objectives of
infosys.



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Infosys technologies were established in the year 1981. Kazmi (2008) says that the company was started with a capital investment of about 250 US dollars. The company has now become one of the global competitors in IT Product and Service Providers. It consists of around 80000 employees and is considered to be one of the key factors which have helped Infosys to become a 3 billion dollar company. Infosys provides business solutions to various sectors which include automotive industries, aerospace industries, financial firms and healthcare sectors. Infosys uses its Global delivery model to popularize the outsourcing of Information technology services globally. Leadership of Infosys has been successfully carried down from Murthy to Gopalakrishnan who have strived hard to attain the progress, value and trust which the company is facing today. Infosys mainly concentrates on maintaining their human resource by providing them a constant training as and when required in order to increase the skills of their employees. 2. 65% of company's revenue is invested on training their employees. The organizational culture within Infosys considers values of the company as the most important part of it. According to Chaudhari, S. et al. (2009), Infosys treats all its employees as associates and the teams prepared are flexible so that each person gets an opportunity to become the team leader of their team in different projects that the team handles.

Vision and Mission Statements:

Vision statement:

It determines what position the organization has to reach in the near future by describing the market in which the organization is operating has to be in the future. It helps in deciding upon strategic solutions for the organization

to progress in the coming future. Its major purpose is the organization's success in the future.

Hamel and Prahalad (1996) argue that none of the companies can get along without well designed strategic and progressive plans regarding the opportunities and challenges the company has to face in the near future. They also say that the way the company adapts to the changing environment, implementing the necessary things, finding solutions for all the problems arising are considered to be more important than the vision.

Hamel and Prahalad (1996) say that “ vision is no more than window dressing for a CEO's ego driven acquisition binge.”

A vision which is decided in order to carry out the egoism of the company's CEO is very dangerous. Even though some CEO's describe the vision for their selfish purposes, a company has to have a vision which determines the ways that the company has to adopt in order to reach the goals and objectives set for the company to progress in the market where the company exists.

Nowadays most of the companies have convinced themselves saying that setting a vision for the company is the easiest part whereas following policies and rules to achieve the company's vision is the toughest part.

Vision statement of Infosys:

Fernando (2009) describes the vision of Infosys to be “ a globally respected corporation that provides best of breed business solutions, leveraging technology, delivered by best in class people.”

Mission Statement:

It determines the basic purpose on which the organization has to operate upon. It helps in determining the performance level which is desired by an organization. It mainly describes the reason for the company's existence and the steps that are considered by the company to successfully achieve its vision.

The mission statement of the company has to be clear in its representation and must describe the true meaning for the company to exist in the market. It must have a severe impact on the employees and other working members of the organization. It must clearly describe the major advantage the company has in the market where it exists. The mission statement has to be realistic, flexible and must be achievable by the members and employees working within the company.

Mission statement of Infosys:

Shaw and Onkvisit (2004) describes the mission of Infosys is “ to achieve our objectives in an environment of fairness, honesty and courtesy towards our clients, employees, vendors and society at large.”

Infosys has maintained a certain level of standards with all their activities which are carried out within and outside the organization. They are best in almost everything. They have a huge campus in Mysore (India), where they train their employees to attain the necessary skills that are required for them to work in a specific role.

Infosys is providing one of the best working environments ever so that the employees working there can do their best to achieve the organization's goals and objectives. It also helps in increasing the employees' performance.

It was one of the best employers within the country and provides equal opportunities to all the people who present their skills which are required for the company.

The dealings carried out by the organization are completely transparent and the investors are happier to invest on the projects that are undertaken by Infosys.

The ethical policies of the company are of the highest standards and strict disciplines have been followed to maintain these standards. The company has tried to never obtain improper benefits from the government and has been considered as one of the top IT services company in India.

Even though the company follows strict rules there has been a scandal which made the company deserve a bad name in the corporate industry. One of the policies set by the company under their ethical standards is that the company has to avoid harassment of people sexually or in an unlawful manner. The scandal which we will be describing now will be about a sexual harassment case which was registered in Alameda Superior County court, Oakland, US against the company (Infosys) in the December month of the year 2001. The former secretary of the Infosys corporation in US (Ms. Reka Maximovitch) who was working under Phaneesh Murthy, the head of sales, marketing and product services division in Infosys filed a case against Phaneesh accusing him about sexual harassment and unlawful termination

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of her from the company. According to Reka Maximovitch this harassment took place around October 1999 and December 2000 within the corporate premises of US. This came to be known to the public when Phaneesh requested for a resignation from his post in the June month of the year 2002. The company's share went down by 6.6% as soon as the resignation was accepted by the company from him. (Hindu business line, 2002)

Services provided by Infosys:

According to Khosrowpour (2006), here are some the services which are provided by Infosys in different sectors such as Automotive, Aerospace, Finance and Healthcare.

Automotive sector: automotive services offered by Infosys are:

Analyzing the structure of mounting bracket used to mount engines.

Provides a complete solution for seating systems.

Aerospace sector: Aerospace services offered by Infosys are:

Airframe section's structuring and analyzing work is carried out by Infosys for aerospace vehicles.

Designs buckling based software for motor casing within the rocket.

Financial sector: Financial services offered by Infosys are:

Brokers use trading system online and these systems are designed by Infosys.

Infosys has designed Authorization and capture system which is used for transaction processing.

Healthcare sector: Healthcare services provided by Infosys are:

It has developed a recording system which records the health of a person.

In order to provide automation of the authorization process, Infosys has designed a web based integrated application.

Values followed within Infosys:

Infosys is one of the companies which are mainly driven by the values which they follow. The members of the company work hard to make the company commercial and ethical not only in India but throughout the world. According to Fernando (2009) here are the core values which is followed by Infosys:

“ Customer delight”: The Company has committed itself to surpass the expectations of their customers.

“ Leadership by example”: It has become an example for all the industries by setting themselves a standard in their business.

“ Integrity and Transparency”: all the dealings which they carry out are ethical and transparent.

“ Fairness”: the company has committed themselves to carry out all their dealings in such a way that they will be earning trust and respect from it.

“ Pursuit of Excellence”: They have committed themselves to continuously improve their teams, services and products.

Bhattacharya (2006) says that commitment towards society is one of the major values that are followed by Infosys. In order to carry out their initiatives towards the society, Infosys set up their ' Infosys foundation' in 1996. It has dedicated 1% of its profits after tax for this foundation.

Bhattacharya (2006) adds to this by saying that the money provided to this foundation is distributed as follows: “ 30 percent of the funds to old people, the destitute and the handicapped; 15 percent for rural development; 30 percent for the education of brilliant but poor children; 15 percent for cultural activities like plays, music and drama; 10 percent for medical relief.”

Business strategy followed by Infosys at Corporate level:

Infosys growth rate increases by 50% each year, in order to continue this course of action and to improve upon it the company has to clear away certain number of hurdles. The major hurdle which the company has to overcome is the appreciation of the Indian currency (Rupee). Fernando (2009) describes that Infosys has to think about the number of skilled employees who are decreasing recently and also about creating a complete solution provider which has a worldwide reach on a larger scale. He also adds to it saying that the company has to think about the “ increasing cost of adherence to global best practices that would tell upon profit margins in an extremely competitive environment which has been demonstrated by several software services companies.” Infosys has been facing problems which include induction and orientation of high employee number, ensuring their process driven way, and trying to distill the projects which are undertaken by the company or from the activities which are being carried out within the company. Currently there are more than 36000 employees in

Infosys and it has tried to overcome the above challenges by introducing a service called as “ PRIDE” which can be expanded as “ Process Repository @ Infosys for Driving Excellence”. This service merges into Infosys’s Knowledge shop called as Kshop in order to derive the complete benefits from their employee numbers, so that the company can gain efficiency, increased production and better quality in all the processes that are being carried out by the company.

By focusing mainly on improving the skills of their employees Infosys has achieved an enormous growth in their business and this has been a distinguishing factor from all its competitors as per the opinions of the company’s customers. Infosys believes that providing proper training for their employees will keep them always ahead in their sector within the market in which their business is being carried out.

Pertaining Organizational values in Infosys at corporate level:

In every organization the culture involved with the ethical behavior serves as a value system within the organization. In Infosys, the founders of the company weren’t given any benefits like other companies and were only offered with salaries and the dividends which were obtained from the profits of the company. In a company if an ethical environment has to be followed then the initiative should begin from the highest level of management or from the top leaders within the company. Fernando (2009) says that Infosys’ success mainly attributes the investments they make on their employees for training them in their respective fields making them focus on cutting edge technology, and making them strictly follow the ethical rules and policies of

the company. He also adds to it saying that the company's success mainly depends on:

Work environment which the company provides for their employees to carry out the activities within the organization as well as learn things while performing their work.

Replacement of technology which has become obsolete on a regular basis.

Providing major importance on quality of the products and services which the company offers.

In its cultural environment Infosys has surpassed all their customer's expectations and have made them delightful. They have been setting examples for other companies in the IT industry regarding how they can progress their business has Infosys did. Infosys also claims that the dealings which they carry out are transparent enough making the investors to be trustworthy for the company and keep investing in the company's projects.

Analysis of the vision statement of Infosys:

Hamel and Prahalad (1996) suggested five possible means in which a person can judge an organization's vision and are:

Foresight: the vision set by Infosys is strong and highly rational in nature.

Breadth: the vision statement describes that Infosys is an active participant in the changing technological market.

Uniqueness: Infosys provides IT services which makes them stand aside from several companies and consists mainly of highly trained people within their organization which makes them unique from their other competitors.

Consensus: the vision statement of Infosys can be achieved and the company is striving hard to accomplish that through their rules, policies and objectives.

Actionability: the vision of Infosys completely describes the future market in which the company has to operate and how well they can carry out this vision.

Vision statement of Infosys can be divided into four parts and are analyzed as follows:

Globally respected corporation: Infosys has become one of the largest IT Products and Services Company which has an employee count of more than 80000 all around the world spread over 65 nationalities. All the company's employees, investors, suppliers, customers and the society around them consider Infosys to be the most trustworthy and respected organizations around the world.

Best breed of business solutions: Infosys provides several business solutions in various sectors such as Automotive, Aerospace, Financial and Healthcare. They have been concentrating on providing solutions to these sectors in the form of technology providers, designing and developing technology used in these sectors.

Leveraging technology: Infosys has designed and developed cutting edge technology in order to provide Information technology services to their customers. They have designed and developed seating systems and engine mounting brackets for automotive industry, airframe sections and motor casings for aerospace industry, online trading systems and authorization capturing systems for financial firms and health recording systems for healthcare sectors.

Best in class people: Employees in Infosys are trained in the company's training centre which is present in Mysore (India). Infosys invests a lot on training their employees to make them attain the skills and knowledge required for them to work within their organization. People who do not qualify the training carried out by the company are removed from the company, since the company mainly concentrates on making skillful people a part of their team.

Vision statement of Infosys perfectly matches the observations carried out by Hamel and Prahalad.

Assessment of the Mission statement of Infosys:

Lynch's (2006) criteria's for understanding and making a judgement regarding the mission statement of Infosys are as follows:

" Effect on people's behavior": the mission statement of Infosys has had a severe impact on the employees and other members of the organization. All of them have tried and struggled hard in different fields to achieve the objectives which are set in the company's mission statement. There has been a single scandal till now within such a big corporation after which the <https://assignbuster.com/review-strategic-aims-and-objectives-of-infosys/>

company has followed stringent measures to avoid any of these scandals to happen again.

“ Reflection of organization’s characteristic advantage”: the mission statement clearly describes the major advantage of Infosys which is its trustworthy nature and the fairness which it incorporates while carrying out their dealings in the IT services market.

“ Realistic and attainable”: the mission statement of Infosys has been made realistic by the hardworking and trustworthy employees and the top management within the organization and has proved themselves that their mission statement is achievable through determination and by working together to attain the company’s goals.

“ Flexible”: the mission statement of the Infosys is flexible enough to adapt to the changes that occur in the environment in which the company operates.

Formulation of the mission statement of Infosys according to the five elements proposed by Lynch (2006) is as follows:

The mission statement perfectly describes the business in which Infosys has to operate within which is the IT services sector.

The mission statement is considered or formulated by targeting the company’s clients, employees, vendors and society.

The mission statement describes the core values of Infosys which includes fairness, honesty and courtesy towards their investors, employees, suppliers and society.

The mission statement describes the major strength of Infosys to be its skillful employees.

The mission statement tells us that the employees within the organization work as a team to achieve fairness, honesty and courtesy in the dealings which the company makes towards their investors, suppliers, customers and the society.

The Mission statement of Infosys when formulated and assessed against the criteria's of Lynch we can conclude that the company has adopted a perfect mission statement which satisfies all the conditions that have to be implemented within a company's mission statement.

Conclusion:

Infosys is one of the largest IT service providers in India and worldwide. They have incorporated several rules and policies to achieve the vision of the company and successfully carry out the objectives explained within the mission statement of the company. The company has achieved this by maintaining their fairness, honesty and courtesy in all the deals they make with their clients. Its major advantage is its highly skilled workforce which has helped the company in reaching their goals and objectives.