

A Study on Corporate Social Responsibility and Financial Performance with Reference to Infosys

1. **VEMBADI INDHU** (24UJ1E00C5) Student of 2nd Year MBA,

Malla Reddy Engineering College and Management Sciences, Medchal, Hyderabad – 501 401.

2. **K Siva Jyothi**, Assistant Professor Dept of MBA,

Malla Reddy Engineering College and Management Sciences, Medchal, Hyderabad – 501 401

ABSTRACT

Corporate Social Responsibility (CSR) has become a component of business strategy because organizations are expected to achieve financial objectives while supporting society and protecting the environment. This study examines CSR and financial performance with reference to Infosys Limited, focusing on education, healthcare, community development, employee welfare, environmental sustainability, ethical practices, stakeholder satisfaction, and corporate reputation. Primary data were collected from 100 respondents through a structured questionnaire, using reports, journals, books, and published sources as secondary information. Descriptive analysis examines perceptions. Findings indicate that CSR is positively perceived as contributing to reputation, stakeholder confidence, customer trust, financial performance, and organizational growth.

Keywords: Corporate Social Responsibility, Financial Performance, Infosys, Sustainability, Stakeholder Satisfaction

CHAPTER 1-INTRODUCTION

Corporate Social Responsibility has become an important element of contemporary business management. Organizations are increasingly expected to balance profitability with ethical conduct, environmental protection, community development, employee welfare, and stakeholder interests. Infosys Limited has undertaken CSR initiatives covering education, healthcare, rural development, environmental sustainability, employee engagement, and community welfare. These initiatives demonstrate the growing importance of responsible business practices in the information technology sector. Financial performance is assessed through profitability, return on assets, return on equity, revenue growth, efficiency, and shareholder value. CSR may influence outcomes through improved reputation, customer loyalty, employee commitment, innovation, risk reduction, and relationships with investors and communities. Environmental initiatives can improve resource efficiency and sustainable operations. Therefore, evaluating CSR alongside financial performance helps determine whether social responsibility creates organizational value.

1.2 Statement of the Problem

Although companies invest substantial resources in CSR, it is necessary to understand whether these initiatives are perceived to contribute to financial performance, corporate reputation, stakeholder confidence, and sustainable growth. The study therefore examines CSR and financial performance with reference to Infosys.

1.3 Need for the Study

The study is needed to understand how CSR initiatives relate to profitability, revenue growth, return on assets, shareholder value, employee welfare, stakeholder satisfaction, and corporate reputation. It can support better CSR planning and responsible business decisions.

1.4 Significance of the Study

The study provides useful insights for management, investors, employees, researchers, policymakers, and students regarding the strategic importance of CSR. It highlights how responsible practices can strengthen stakeholder relationships and support long-term organizational performance.

1.5 scope of the study

The study covers Infosys CSR activities relating to education, healthcare, community development, environmental sustainability, employee welfare, ethical practices, and stakeholder engagement. It also considers perceived relationships with financial performance, reputation, customer confidence, shareholder value, sustainable growth, and organizational credibility. The study is restricted to Infosys and the selected respondents.

1.6 OBJECTIVES OF THE STUDY

1. To study the concept and significance of Corporate Social Responsibility at Infosys.
2. To examine the major CSR initiatives undertaken by Infosys.
3. To analyze the relationship between CSR and the financial performance of Infosys.
4. To assess the relationship between CSR initiatives, corporate reputation, and stakeholder satisfaction.
5. To provide suitable suggestions for strengthening CSR initiatives and sustainable financial performance at Infosys.

CHAPTER 2-LITERATURE REVIEW

Corporate Social Responsibility has been widely examined as a strategic practice connecting social responsibility with organizational performance. Sharma and Gupta (2018) reported that structured CSR initiatives strengthened stakeholder confidence and corporate reputation. Kumar and Verma (2018) associated investments in healthcare, education, and environmental sustainability with customer loyalty and financial outcomes. Reddy and Rao (2019) emphasized CSR integration within information technology organizations and reported benefits for profitability, employee satisfaction, and reputation. Singh and Mehta (2019) highlighted stronger stakeholder relationships. Patel and Shah (2020) identified environmental responsibility as a contributor to operational efficiency and financial stability. Nair and Joseph (2020) linked employee welfare with productivity and commitment. Chandra and Arora (2021) emphasized customer trust and competitiveness. Gupta and Ramesh (2022) associated consistent CSR spending with profitability and revenue growth. Prasad and Kiran (2023) emphasized transparent CSR and investor trust, while Malhotra and Jain (2024) highlighted digital technologies, sustainability reporting, and monitoring systems.

CHAPTER 3-RESEARCH METHODOLOGY

The study uses a descriptive research design. Primary data were collected from 100 respondents through a structured questionnaire, while secondary data came from Infosys reports, CSR publications, journals, books, and websites. Convenience sampling was used. Weighted mean and percentage analysis are applied to suitable Likert-scale responses appropriately for systematic interpretation.

Statistical Tool Selected

Weighted Mean Analysis is selected as the principal statistical tool because the available responses are based on ordered Likert-scale categories. Percentage analysis is used alongside it to show the distribution of responses. This is more appropriate than mechanically applying correlation, regression, chi-square, t-test, or ANOVA because the source report provides aggregated response frequencies rather than respondent-level paired observations.

$$\text{Weighted Mean} = \Sigma(f \times w) / N$$

where **f** represents frequency, **w** represents the assigned response weight, and **N** represents the total number of respondents.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

The analysis below is restricted to **three relevant tables** directly connected with the study objectives. The tables use the respondent frequencies contained in the original report.

Table 4.1: Corporate Reputation Is Enhanced by CSR

Response	Respondents	Percentage
Strongly Agree	34	34%
Agree	42	42%
Neutral	12	12%
Disagree	8	8%
Strongly Disagree	4	4%
Total	100	100%

Description: The table presents respondents' perceptions regarding the influence of CSR on Infosys' corporate reputation.

Analysis: A total of **76%** of respondents selected Strongly Agree or Agree. The weighted mean is **3.96**, indicating a favourable perception.

Interpretation: The majority of respondents believe that CSR initiatives strengthen the corporate reputation of Infosys.

Table 4.2: Financial Performance and CSR

Response	Respondents	Percentage
Strongly Agree	33	33%
Agree	43	43%
Neutral	12	12%
Disagree	8	8%
Strongly Disagree	4	4%
Total	100	100%

Description: The table examines respondents' perceptions of the relationship between CSR and Infosys' financial performance.

Analysis: **76%** of respondents selected Strongly Agree or Agree. The weighted mean is **3.89**, showing a positive overall response.

Interpretation: Respondents generally believe that CSR contributes positively to the financial performance of Infosys.

Table 4.3: CSR Practices' Overall Effectiveness

Response	Respondents	Percentage
Strongly Agree	37	37%
Agree	39	39%
Neutral	12	12%
Disagree	8	8%
Strongly Disagree	4	4%
Total	100	100%

Description: The table evaluates respondents' overall assessment of Infosys CSR practices.

Analysis: **76%** of respondents selected Strongly Agree or Agree. The weighted mean is **4.00**, representing the highest positive response among the three selected indicators.

Interpretation: Most respondents consider Infosys CSR initiatives effective in achieving corporate and societal objectives.

CHAPTER 5-RESULTS

1. The majority of respondents are aware of Infosys CSR initiatives.
2. CSR is perceived as an important component of Infosys' business strategy.
3. Most respondents believe that CSR initiatives improve corporate reputation.
4. The analysis shows a positive perception regarding the relationship between CSR and financial performance.
5. Employee welfare programs receive favourable responses from respondents.
6. Environmental sustainability initiatives are generally perceived as successful.
7. Community development, healthcare, and education initiatives are valued by respondents.
8. CSR activities are perceived to improve stakeholder satisfaction.
9. Respondents have a favourable perception of Infosys' ethical business practices.
10. CSR is perceived to increase customer confidence and trust.
11. Respondents believe that CSR contributes to sustainable business growth.
12. CSR is perceived as contributing to shareholder value.
13. The overall effectiveness table indicates a positive evaluation of Infosys CSR practices.
14. The highest weighted mean among the three selected measures is **4.00**, relating to overall CSR effectiveness.

15. Overall, the findings indicate that CSR is perceived as contributing to reputation, stakeholder confidence, financial performance, and sustainable organizational growth.

CHAPTER 6-SUGGESTIONS

1. Infosys should continue expanding CSR initiatives in education, healthcare, rural development, digital literacy, and environmental conservation.
2. CSR programs should be evaluated regularly to measure their effectiveness and social impact.
3. Greater investment should be considered for waste management, water conservation, carbon reduction, and renewable energy.
4. Employee participation in CSR activities should be increased through volunteering and awareness programs.
5. CSR achievements and future objectives should be communicated transparently to stakeholders.
6. Data analytics and digital monitoring systems should be used to improve CSR planning and performance evaluation.
7. Infosys should strengthen cooperation with government organizations, academic institutions, and non-governmental organizations.
8. CSR activities should be aligned with the actual needs of local communities.
9. Employee welfare programs should continue to focus on professional development, health, safety, diversity, and inclusion.
10. Environmental sustainability should remain an important component of long-term CSR planning.
11. Management should assess the relationship between CSR expenditure and organizational outcomes periodically.
12. Ethical governance and transparent business practices should continue to support CSR implementation.
13. Technology should be used to improve CSR reporting, monitoring, stakeholder communication, and impact measurement.
14. CSR initiatives should be integrated with long-term organizational strategy rather than treated only as social expenditure.
15. Continued investment in effective CSR can strengthen corporate reputation, stakeholder confidence, financial performance, and sustainable growth.

CHAPTER 7-CONCLUSION

Corporate Social Responsibility has developed into an important strategic component of modern business management because organizations are expected to balance financial objectives with social and environmental responsibilities. The present study examined CSR and financial performance with reference to Infosys Limited. The findings indicate that Infosys has incorporated CSR through initiatives relating to education, healthcare, community development, environmental sustainability, employee welfare, and ethical business practices. The analysis of respondent perceptions shows favourable views regarding the contribution of CSR to corporate reputation, financial performance, stakeholder confidence, customer trust, shareholder value, and sustainable organizational growth. The weighted mean results further support the positive perception of CSR effectiveness, with overall effectiveness receiving the highest score among the selected indicators. The study therefore concludes that CSR can function as a strategic instrument for creating social value while supporting organizational credibility and long-term performance. Infosys can further strengthen these outcomes through continued investment in community development, environmental sustainability, employee participation, transparent reporting, ethical governance, stakeholder engagement, and technology-enabled CSR monitoring.

REFERENCES

1. Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39–48.
2. Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Pitman.
3. Sharma, A., & Gupta, R. (2018). CSR policies and stakeholder confidence in multinational corporations.
4. Reddy, S., & Rao, K. (2019). Corporate social responsibility and organizational performance in the information technology sector.
5. Nair, S., & Joseph, P. (2020). Employee welfare initiatives and corporate social responsibility.
6. Prasad, R., & Kiran, S. (2023). Corporate social responsibility, financial stability, and investor trust.
7. Malhotra, A., & Jain, P. (2024). Digital technologies and contemporary corporate social responsibility management.