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Integrating Sustainability and CSR in the Value Chain of the Information Technology Sector

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INTRODUCTION

Actually, all industrial sectors are aware of the importance of sustainability in all its business actions by articulating corporate social responsibility (CSR) strategies. The CSR concept refers to the set of commitments that a company acquires to manage its economic, social and environmental impacts and to support the objective of maximizing profits while generating benefits for society, particularly for its stakeholders. Due to their negative impacts in the natural environment in the information technology (IT) sector the interest in CSR and sustainability is even greater (Carter & Rogers, 2008; Dao et al., 2011).

Many international initiatives show the growing importance of socially responsible and sustainable aspects in the IT sector. For instance, the International Telecommunications Union (UTI) is the United Nations specialized agency for ITs. One of the focal points of the UIT is IT, sustainability and climate change. The Global e-Sustainability initiative (GeSI) was born in order to promote sustainable development in the IT sector. This initiative promotes those technologies that allow sustainable development and it is dedicated exclusively to IT sustainability through innovation.

In today´s rapidly changing market, IT companies are seeking greater performance, better features and more flexibility at the lowest price (Hervani et al., 2005). Despite the economic recession the IT sector is seeing exceptional growth. According to CompTIA, the IT sector Trade Association, this sector generated 3.7 $ trillion income in 2014 with growth rates of 5% for 2015. In this context, demand going forward will be determined by evolving views on perceived value and consumer tastes. In this regard, customers are demanding more out of IT firms that simply a quality product at a low price. The goal for IT companies is to compete on the market through offering distinguished sustainable products (McAfee & Brynjolfsson, 2008). IT companies should be able to create and develop new and innovative products while operating in a sustainable and responsible way. By implementing socially responsible initiatives, IT businesses can build sustainability into the operations and management. This study is aimed at exploring the importance of sustainability and corporate social responsibility in the IT sector.

BACKGROUND

Corporate Social Responsibility

An increasingly important aspect of corporate management in recent decades has been the incorporation of CSR, a construct that emphasizes the obligation of companies to integrate social and environmental parameters into their modus operandi and their long-term strategies. Although some publications present CSR as a new construct,

DOI: 10.4018/978-1-5225-2255-3.ch277

the idea that companies must manage their social and environmental obligations has its roots in a much older debate (Dejean and Gond, 2004). Extant literature in economic and organizational theory has reviewed the role of business in society, and all of them agree that the purpose of business should be broadened beyond only economic benefits (Friedman, 1970) and that a social dimension should be incorporated into corporate performance.

The CSR concept refers to the set of commitments that a company acquires to manage its economic, social and environmental impacts and to support the objective of maximizing profits while generating benefits for society, particularly for its stakeholders. However, one question may arise: What kind of actions can be considered as socially responsible? Depending on the business activity, the sector or country in which the company operates, the applicable law can change and, therefore, also the actions that may be considered as socially responsible. However, all CSR actions have as a starting point to meet the expectations of stakeholders minimizing the risks associated with their activity (other than financial) and "positivizing" the impacts of their activity in the economic, social and environmental sphere.

IT Sector

The IT sector has transformed the way people live, work and learn. From mobile phones and microcomputer chips to the Internet, IT has consistently delivered innovative products and services that are now an integral part of everyday life. Technological progress, infrastructure deployment, and falling prices have brought unexpected growth in IT access and connectivity to billions of people around the world. IT has systematically increased productivity and supported economic growth across both developed and developing countries (McAfee & Brynjolfsson, 2008). Globally 3.200 million people are using the Internet of which 2.000 million are from developing countries. By the end of 2015, there are expected more than 7.000 million mobile cellular subscriptions worldwide (less than 1.000 million in 2000). As shown in Figure 1, mobile broadband subscriptions is the most dynamic market segment with 12 times higher penetration than in 2007 (penetration rate 97%) in comparison with fixed-broadband (11% penetration expected in 2015) (ICT Facts & Figures, 2015).

Figure 1. Growth trend in the IT industry
Source: ICT Facts & Figures (2015)