International HRM

INTERNATIONAL CORPORATE SOCIAL RESPONSIBILITY

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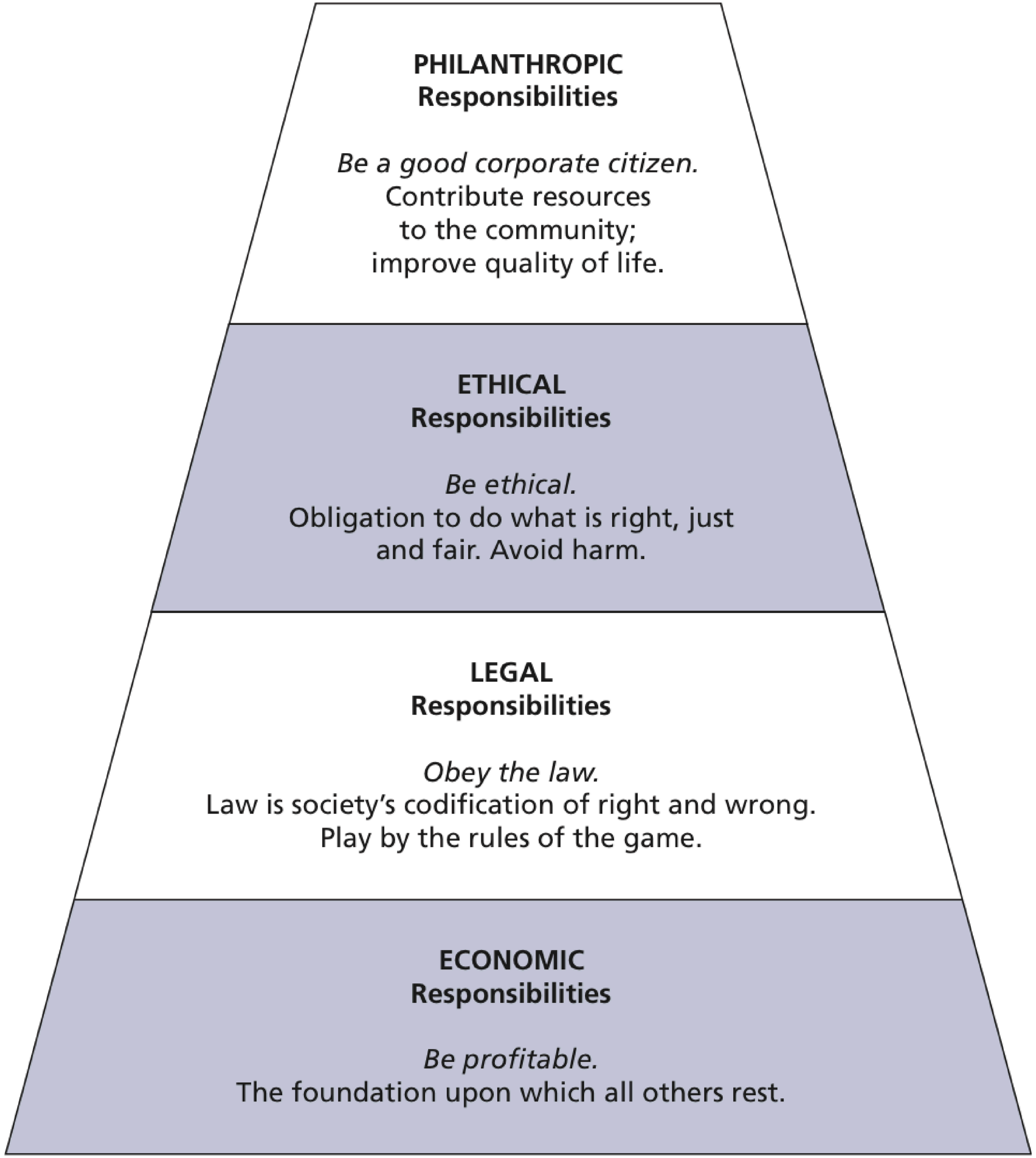
LEARNING OBJECTIVE

The aims of this chapter are to:

- introduce the concept of corporate social responsibility (CSR);
- provide reasons why companies should engage with this idea and explore how they can do this;
- examine how CSR differs between countries and why;
- discuss the implications of the rise of CSR for HRM.

THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

CSR, or Corporate Social Responsibility, refers to how companies manage their impact on society. It’s often seen as voluntary actions beyond legal requirements, like The Body Shop’s animal rights stance Alternatively, the European Commission defines it as integrating soci and environmental concerns into business strategy. Carroll’s CSR pyramid outlines four levels: economic, legal, ethical, and philanthrop responsibilities.


PHILANTHROPIC
Responsibilities
Be a good corporate citizen.
Contribute resources
to the community;
improve quality of life.
ETHICAL
Responsibilities
Be ethical.
Obligation to do what is right, just
and fair. Avoid harm.
LEGAL
Responsibilities
Obey the law.
Law is society's codification of right and wrong.
Play by the rules of the game.
ECONOMIC
Responsibilities
Be profitable.
The foundation upon which all others rest.

CSR IN THE MULTINATIONAL ENTERPRISE

CSR in MNEs:

CSR expectations differ across countries. US companies often incluc healthcare in CSR, while European firms rely on public systems. In developing countries, weak regulation and limited stakeholder powe challenges. MNEs can choose a global CSR strategy (consistent but l local), a local strategy (responsive but fragmented), or a balanced approach, like Unilever's, combining global goals with local adaptati

MANAGING CORPORATE SOCIAL RESPONSIBILITY

Once a company understands CSR, the next step is how to implement it. Key tools include:

- Codes of conduct, which outline expected ethical behavior for employees and define responsibilities to stakeholders. Widely used across both developed and developing countries, they promote consistency and moral guidance, especially in MNEs.
- Social and environmental reporting, which extends financial reporting to include the firm’s impact on society and the environment. This supports transparency and helps embed sustainability into business strategy.

CORPORATE SOCIAL RESPONSIBILITY AND HUMAN RESOURCE MANAGEMENT

CSR and HRM: A Strategic Connection

CSR significantly impacts HRM, highlighting issues like fair pay, work-life balance, employee well-being, and ethical treatment. HR plays a key role in promoting CSR by hiring CSR-conscious talent, training employees on social and environmental issues, integrating CSR into performance and reward systems, and encouraging employee involvement in initiatives. This not only enhances company culture and employee engagement but also supports long-term business success. To be effective, HR professionals must recognize the broader impact of their practices on society and the environment.

THANK YOU