The Current Development Status of The Corporate Social Responsibility in Multinational Companies

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Abstract: Corporate Social Responsibility (CSR) becoming the main problem that every country faced nowadays. This paper highlights the CSR communication intensity in Chinese and Indian Multinational companies. It focuses on the details and identifies the difference between internal and external influences on CSR management in global companies. And, this paper highlights the positive cultural influences on CSR. Moreover, it relates the multinational companies to its internal influences, such as the relationship between CSR activities and employees, the relationship between CSR and shareholders. Then, this paper also mentioned about Localization and Standardization relate to CSR management. It provides an example of a multinational oil company CSR in Nigeria and Angola. And, this paper also mentioned the relationship between external influences on multinational organizations, such as the internal corporate social responsibility under the impact of Covid-19 and the influence about the negative consumer reaction to negative CSR behavior by organizations. This paper also mentioned the influence of government policies on CSR as well as the sustainable development of the CSR to the company.

1. Introduction

Corporate Social Responsibility (CSR) has become the major issue that exists in multinational companies. CSR makes the company not only target the profit but also improve social responsibilities to improve the society in a good way. Nowadays, most countries have taken CSR seriously. Some of the countries, like India and China, if they want to improve CSR policy, they have to improve governance at the national level [5]. Additionally, the national governance environment occupied a significant place in influencing the level of national income in terms of the intensity of CSR communication [5]. The role of the CEO, board chair, and board members also have a significant influence on CSR communication [5]. And according to Silke et al [6], the difference between external and internal impacts on CSR will generate difficulties when managing global companies. It is also related to influential factors such as stakeholder power, organizational culture, and related issues [6]. Moreover, because of the multinational, it comes across too many countries, the difference in culture can be a major factor that influences CSR. However, most of the cultural influence has a positive relationship with CSR. For example, according to Hsu and Bui [7], Vietnamese customers prioritized the company's care for the employee, while the customers are concerned about the environment and society in Indonesian and Taiwanese. Furthermore, CSR has a positive impact on brand reputation in all cultures as well [7].
2. Internal factors on multinational companies' CSR

2.1 The impact of CSR on employees

Corporate Social Responsibility (CSR) has become a progressively more important factor in the development of multinational companies. Many companies use CSR to enhance their reputation outside the company in exchange for higher benefits. At the same time, CSR has an equally unusual significance inside the company, especially for the people who work in the company daily, which is divided into two main categories: shareholders and employees. Both groups of people are priority stakeholders in CSR but have very different views on the impact of the company's social responsibility programs.

The attitudes of employees who implement CSR within a company tend to be higher than those of employees in other departments. In the case of staff who specialize in planning the company's CSR, they will tailor a program to fit the company's direction and indicators. These people usually have a positive and exploratory spirit about the progress of CSR and, more importantly, the long-term benefits or public relations that the program can bring to the company. They add more insight and conviction to CSR through in-depth research. But the work of these people is also often marginalized in the company because CSR is meaningless or even detrimental to the staff of other departments [1]. At the same time, there are still some employees in non-CSR departments who have a supportive attitude, and the humanization of CSR and social connection will increase the staff's identification with the company and trust in the organization. And after research, with some suitable and effective means, employees will become more motivated to work and thus generate work continuity.

However, employees with opposing views usually come from other departments. In addition to daily work, employees usually have different performance appraisals to determine their performance, such as attendance and error rate. But in many multinational companies with good systems in place, there is one more important assessment - the individual employee's CSR performance - for which many employees say they do not receive additional benefits, such as time off [1]. In their eyes, the government is the ultimate beneficiary of CSR, and CSR is only used as an aid to negotiate with external partners. In multinational companies, many employees report that their daily work does not include CSR. Subsidiaries are established in foreign countries as parent companies and are subject to tasks and goals set by the parent company every quarter. In an environment where job content is the core objective, sales volume, efficiency, customer satisfaction, or cost become the number one concern of employees [1]. in the environmental projects studied by Lam, multinational companies always ignore the policies and environmental pollution standards of their locations to achieve cost savings. Moreover, according to valid data, only one out of 20 foreign companies in China values the capabilities of local Chinese suppliers [1]. At the same time, many foreign stationed employees report consistent content with the government of the branch location but do not disclose it internationally, and these actions use CSR to benefit the company [1].

2.2 Shareholders' Views on CSR

Shareholders have a much clearer position on CSR policy and are divided into three different positions [1]. Considering the two key issues of profitability and customer satisfaction, shareholders often put the CSR criteria in the last place. If the cost of social responsibility programs is added to the price of the company's products, the benefit is much less, so many shareholders cut back on this expense considering this aspect. Some of the traditional management systems and terms and conditions are in favor of shareholders' interests and are used to ensure that the company can operate and grow properly [4]. Shareholders who are neutral consider CSR to be an optional investment, depending on the size of the investment. For companies with a sufficient capital chain, CSR is the icing on the cake, but it does not apply to SMEs. For the rest of the shareholders, CSR is an expression of spirituality. CSR can increase the trust of employees in the company. In a company that is equally responsible for society, leaders tend to pay more attention to the working environment of their staff than to their interests. This creates an excellent working environment for staff to fully express their talents. The company's philanthropic activities can add to the social benefits and reap more rewards.
Acquire et. Al found that a Japanese company had a sense of strategic opportunity to conduct the Japanese EICC Green Book program in a foreign branch for three years, which demonstrates that CSR can be seen as a strategic opportunity and not necessarily as risk management. Many multinational companies have found that some local governments are negligent in regulating social responsibility requirements and have taken the opportunity to avoid corresponding controls and penalties, which has saved the company some costs in its operations. However, there are also cases where shareholders use CSR to gain public goodwill to obtain more returns for the company. lam found that when environmental projects were carried out in China, foreign investors considered Chinese suppliers for materials and cheap labor but did not adopt some measures and concepts to protect the environment. The CSR system developed by the local government also does not play a substantial role because the government rarely regulates this aspect strictly. This is related to whether CSR is instrumental or pure because multinational companies always link social issues with their financial situation, diverting the development of CSR from the originally desired direction. Likewise, there can be bribery between shareholders and the government. Multinational companies make greater profits with low labor and production costs and hand over a portion to the local government. The higher the return, the more liberal this company will be in its local activities, and they will also cover up the impact caused by the company's products through social activities. Especially in developing countries where the economy, laws, and institutions are not highly developed, foreign companies will use this loophole to bribe local governments to make deals. When socially responsible planners work, they calculate how much it will cost to carry out the project versus how much it will benefit. But the high level of external focus on corruption has brought into focus whether CSR can solve this problem.

2.3 Localization VS standardization

It never ceases to amaze some people, how the Multinational national companies (MNC) continue to trivialize some problems, which are double standards, corporate scandals, and management neglect on the downward trad. The problem makes the worldwide discussion about the social responsibility of corporations. It focuses on how to take successfully corporate social responsibility (CSR) in various communities. First of all, environmental protection is the primary part. Some projects of MNC can improve the social-economic development of the region. But they are keeping the double standard for environmental protection. In developed countries, MNCs have to follow laws of fledged versions, they will pay environmental tax to protect environments, to provide necessary infrastructures for filtration, and so on. However, MNCs had failed in their CSR in developing counties. Some MNCs never support a safe environment for natives, they pursue to maximize the profit for the stockholder, but never to try to minimize the environmental impact of operations, which could affect directly native livelihood. A good example is on the Oil industry, especially on the Multinational oil companies (MOC). Gabriel supports MOCs are taking everything from Nigeria, and they are not putting anything back to communities, the condemnatory outbursts are common in the poorest parts of Nigeria. So, the huge problem is to decline the conflict between MNCs and host communities.

The case study of Gabriel supports some ideas to change the double standard. Gabriel believes governments could be a supervisor to help multinational national companies (MNC) to achieve their Corporate Social Responsibility. There are many institutions taken “hand-off” to business regulation in many developing countries. So, enterprises do not rely on government guidance, and they promote their policies by themselves on the environmental performance and ethical marketing practices. So, Gabriel supports the governments of host communities have to negotiate with MNCs, MNCs have to help the communities whenever the need arose including education, agriculture, health, and water supply, especially on the education part, if MNCs try to improve the education in the developing counties, they will get more intelligent elites. commonly, the citizens’ productive capability be stimulated, and then to develop human resources be improved. So, the enterprise must solve some problem of the public concern, and governments play an important role in monitoring multinational companies and supported to macroeconomic management.
3. External factors on multinational companies' CSR

3.1 Enterprise external and consumer relations

Enterprises are not only facing some internal challenges but also, have to face some external problems, such as relationship coordination, customers' perspectives, and social-culture factors. To gather information is just the first step to analysis in the PEST. Once it is done, all of the information will be evaluated. Because external environments are changeable, there are many factors to affect the external environments. Only if the enterprise keeps good goodwill, it can bring more profit to the enterprise. Nowadays Covid-19 pandemic and customers' perspectives are primary external problems, that are all the multinational national companies (MNC) have to face in the world.

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CSR has received increasing attention, due to that is important to customers, environments, and employees. Many researchers have been conducted to help people to understand the components of CSR, as well as the correlation coefficient between the customers' perspectives and CSR. There are some differences in counties about the correlation. Hsu and Bui support customers’ the correlation will change by changing customers’ perspectives and CSR [7]. They gather data from both online questionaries and secondary data. They attained 616 responses from Vietnam, Indonesia, and Taiwan. The research considered both measures of urban and rural characteristics. Based on the databases, they take the regression analysis and covariance matrix. So, the result is reasonable and trustable.

Customers pay attention to the company's care for employees in Vietnam, while customers focus on how enterprises fulfill the CSR on the environment and society in Indonesia and Taiwan. At the same time, in Indonesia and Taiwan, there are some customers, who are interested in the rights of suppliers also. So, MNCs have to change the different priorities of CSR in different countries.

3.2 Impact of CSR under the multicultural background

If Multinational national companies (MNC) do well in CSR, it will bring benefits to both host communities and home country institutions. Belt and Road Initiative (BRI) is a very good example. Yang and Wang support that there are some companies done good CSR, their employee relations and products have improved significantly. Under the pressure of the BRI. While must of CSR of participating Chinese MNCS has a positive impact on the corporate goodwill, profit, and so on, especially some Chinese owned multinational enterprises [10]. At the same time, BRI is a good way to decline institutional distance between host communities and home country institutions, which makes MNCs close with native citizens. So, if the BRI projects keep the high environmental and social standards, they will address significant progress in inequality problem and multinational conflict, the more countries participate in the BRI projects, it will pay off more to the global and help world close. So, the government has the obligation, to try some opening policy for diversification of culture.

If the Multinational national companies (MNC) go a deeper footprint in the foreign, they will get a stronger positive correlation between the performance of MNC and diversification of culture, but if they do not do well on the CSR, some local companies could be affected also. India is an example of a fact. Tewari collect some database over 600 annual reports from MNC in India, he supports those annual reports reflect Indian companies focus more on the monetary benefits and price advantages offered by customers. But MNCs focus more to communicate with human resources and quality drive in the world [11]. That makes many local companies to upon the price as a parameter. So, MNCs are more like a market leader to bring people to build a commercial hub in the communities.
3.3 Policies also have a non-negligible impact on CSR

With the opening of the country and the establishment of the fiscal decentralization system, local governments have played a pivotal role in regional economic development and, at the same time, have played an important role in promoting corporate social responsibility (CSR). Local governments have been promoting CSR for reasons of the local business environment and regional competitiveness and have been using a variety of policy instruments. As the central government's unified social responsibility policy is difficult to consider the needs of specific industries and regions, it can easily lead to distortions in policy implementation at the practical level, resulting in the phenomenon of "policies at the top but countermeasures at the bottom". In contrast, local governments can be flexible in their targets and scales, incentivizing enterprises to perform certain social functions and ensuring sustainable local economic development, without burdening enterprises and undermining their productivity and motivation.

The gradual change from a lenient policy to a moderate policy is an inevitable trend in the development of China's foreign investment policy, to encourage multinational companies to invest in China while taking the necessary restraint measures to reduce the negative effects. China's investment promotion should be changed from "quantity" to "quality" to win by quality, not just pursuing the size of investment promotion, specifically in several aspects: First, avoid high pollution projects [16]. To establish a sound environmental monitoring and assessment system, strict implementation of prior and post-event environmental assessment of investment projects, the resources and environmental indicators included in the system of inspection to attract foreign investment. Secondly, avoid high energy consumption projects. Energy consumption should be taken as an important audit condition to promote energy-saving and consumption reduction, and to get rid of the development model of high resource consumption and high environmental pollution. In addition, high export projects should be avoided. To examine the project and the local industrial relevance, whether multinational industries and local advantages supporting, whether to take full advantage of the external effects of multinational companies, so that domestic enterprises with the growth of multinational companies and growth. Our government should further optimize the investment environment and infrastructure construction, reduce the government's reputation cost, the investment environment, and infrastructure construction is directly related to the effect of investment promotion work or not. In addition to the construction of comprehensive transportation capacity by land, water, and air, local governments should also focus on the construction of roads, environment, electricity, water, and gas, etc., and increase the optimization of the investment environment, such as the construction of urban network information technology, the improvement of financial services and the establishment of industrial parks. In terms of specific policies, local governments can consider the use of tax incentives to promote corporate social responsibility.

4. The sustainable development on CSR of multinational companies

4.1 Sustainability of CSR in Multinational Enterprises

CSR's initial meaning may be discovered in Western research because it is a concept that originated in the West. The consequence of a combination of long-term and short-term benefits, sustainability of development is the manifestation of a company's performance. Accounting and financial indicators can be used to assess a company's economic performance, but accounting and financial indicators cannot assess a company's social effects, which include the company's social image, reputation, brand awareness, customer acceptance, as well as community and government support. As a result, the financial and social sustainability of a company's expansion can be assessed, as well as if it has a healthy and sustainable power system to support its growth. Take, for example, China, which is experiencing rapid economic growth. Take China as an example: as globalization accelerates, China provides a broad platform for the development of multinational enterprises, which, as carriers of China's economic cooperation and expanded openness to the outside world, play an essential role in the process, promoting China's development in a variety of ways, including industry,
technology, and talent. In light of trade tensions and the risk of uncertainty posed by the new pneumonia epidemic to multinational enterprises' business in China and the global economy, multinational enterprises in China have continued to practice social responsibility and serve as a bridge and link between China and other countries.

First, providing technical and financial support for the fight against the epidemic.

Against the backdrop of the outbreak of Newcastle pneumonia, most multinational enterprises took the overall situation into account and shifted the focus of their social responsibility to support the prevention and control of the epidemic and the normal operation of society, making an important contribution to the fight against the epidemic in China. Specifically, the actions of multinational companies in the fight against the epidemic are generally focused on four aspects: funding, personnel, materials, and activities, but the specific measures vary depending on the nature of the company. For example, on 20 February 2020, Abbott China announced an additional donation of more than RMB 13 million worth of medical and child nutrition products to provide comprehensive scientific nutritional support to healthcare workers and their children on the front line, as well as children affected by NCCP, during the critical phase of the fight against NCCP. Previously, Abbott's first donation of RMB18.1 million in cash and medical supplies had been delivered to the frontline. With this, Abbott has donated more than RMB 31 million to the fight against the epidemic. Its main contributions are in the fight against the epidemic, education activities, medical health, and other areas [12].

Second, helping to fight poverty.

Overall, the macro environment for global economic development deteriorated sharply due to the impact of the global epidemic and shrinking international trade and investment, and multinational enterprises' business performance generally suffered a setback. However, multinational enterprises in China still actively participated in public welfare activities and actively served the national poverty eradication and rural revitalization strategies, helping to complete the arduous task of eliminating absolute poverty in China. For example, Shanghai Lianheng, as the main installation enterprise in Shanghai Chemical Industry Zone, is always aware of its responsibility and takes practical actions to actively repay the society and support the implementation of various national policies. Although the economic situation facing the company is rather severe, as a multinational chemical company with commitment, Shanghai Lianheng donated RMB 30,000 to the construction of leisure activity facilities in Ning'er County Centre for the Elderly, a poverty alleviation project in Yunnan Province, through the local Red Cross Society, under the leadership of the Shanghai Chemical Industry Zone Enterprise Association, to fight against the epidemic. Its main contributions are reflected in the fight against the epidemic, education for the poor/public welfare, ecological protection, poverty alleviation support, etc. [14].

Thirdly, greening and seeking sustainable development became a key concern for multinational enterprises.

In addition to actively participating in epidemic prevention and control, most multinational companies have incorporated environmental protection into their development plans, according to the State Council of the CPC Central Committee. Energy conservation and emission reduction, pollution avoidance, and cooperative sustainable development have all become more important considerations for international corporations in China.

Taking Tate&Lyle as an example, Tate will invest US$75 million to install a new gas-fired power generation system at its US factory, which will reportedly reduce the carbon emissions generated by the plant. According to Tate, the new CHP system will replace the site's coal-fired boilers and the new system will reduce greenhouse gas emissions by approximately 40 percent and water use by 5 percent. The investment is part of the company's six-year, US$150 million 'Productivity Programme', which is now in its third year. The company says the investment will support Leyte in achieving its 2030 sustainability goals. [13].

4.2 Challenges of CSR for multinational companies

Chinese CSR is a holistic, vague, and uncertain humanistic management, while Western CSR is a rationalized, operational, clear, and quantified institutional management. When Chinese humanistic
management meets stereotypical institutional management, conflicts will occur. Under such a premise, if people want to do a good job of corporate social responsibility and thus promote sustainable development, people cannot simply apply the systems of both sides. Social responsibility management can be seen as a form of organizational relationship management. As Chinese culture is concerned with interpersonal relationships and relies more on the rule of man in management, the process of social responsibility management needs to focus more on the guidance and control of people and the resilience of people. The process of Chinese CSR decision-making is a process of balancing a series of relationships, and as a company embedded in society, it needs to get used to concessions as a means of decision-making; while focusing on quantitative management and effective control and strengthening the prevention of various problems that may arise in the management process, maybe other benefits that Western-style brings to Chinese management [15]. Therefore, Chinese CSR decisions are often middle-of-the-road compromises or ambiguous decisions in China.

Social responsibility practices should be proactively aligned with the needs of host countries. The positive benefits of multinational firms' social responsibility efforts on societal development have received increased attention in recent years, and there is a growing public demand for multinational corporations to institutionalize social responsibility regularly. However, for multinational corporations' future development, the parallel development of social responsibility and corporate operations remains a key concern. Since the outbreak, the global economy has been tested and the willingness of multinational companies to take on social responsibility has been affected to varying degrees by economic fluctuations, with a decline in social responsibility activities by multinational companies in China.

As a result of the outbreak, global corporations have realized that maintaining public confidence is critical to effective commercial operations and that ongoing CSR initiatives can improve a company's brand reputation. The result is multinational corporations have put CSR into their long-run business development objectives and implemented monitoring methods to ensure that CSR actions are carried out. Simultaneously, they should be concerned about the current state of their operations in China, evaluate the impediments to the social responsibility activities in China, and contribute to the improvement of their business environment in China.

Drawing on the experience of multinational enterprises in China in carrying out social responsibility practices in China, Chinese enterprises are actively practicing social responsibility in the process of going global, in line with local conditions. Multinational corporations' social responsibility practices in China have, on the one hand, facilitated extensive contact and communication between multinational enterprises and the Chinese public, consumers, government, and other social sectors, helping the public to better understand and know multinational enterprises and, to a certain extent, enhancing the brand effect of the enterprises; on the other hand, while global corporations' social responsibility activities in China have increased the power of the brands themselves, they have also contributed to the development of the global trade. On the other hand, transnational corporations' social responsibility practices in China also play a positive role in the communication and exchange between different countries under the great change of global trade competition. Therefore, in the process of going global, Chinese enterprises can actively learn from the experience accumulated by multinational enterprises in China in their social responsibility practices. Firstly, they should actively carry out public welfare activities from various aspects and angles, adopt differentiated public welfare projects overseas in response to the national conditions and development status of different countries, and build bridges of friendly communication with overseas countries, the public, and governments. Secondly, we are relying on the business we operate to provide product support and services to countries in need, enhance our corporate brand effect and strengthen our brand communication with the public in our social responsibility activities and public welfare projects. Thirdly, during the special period of the New Guinea pneumonia epidemic and in the general environment of weakened mobility, through a series of social responsibility activities overseas, people will strengthen communication and exchange with local governments, enterprises, and the public, build bridges for friendly communication between countries and give full play to the positive and positive linkage role of overseas enterprises.
5. Conclusion

This paper revealed that Corporate Social Responsibility (CSR) grabbed more and more attention from every country. In the above discussion, experts highlight the CSR communication intensity in Chinese and Indian Multinational companies. And this paper discussed the details and identify the difference between internal and external influences on CSR management in global companies. Moreover, this paper highlights the positive influence that culture has brought to CSR. Furthermore, it also discussed the internal influences, such as the relationship between CSR activities and employees, the relationship between CSR and shareholders. Then, this paper also emphasizes the relationship between Localization and Standardization to CSR management. It discussed in detail a multinational oil companies CSR in Nigeria and Angola. Besides, this paper also mentioned the relationship between external influences on multinational organizations. It provides an example in the current circumstance, the Covid-19, about the internal corporate social responsibility under the impact of this situation and the influence of the negative consumer reaction to negative CSR behavior by organizations. Lastly, this paper also discussed the influence of government policies on CSR as well as the sustainable development of CSR to the company in the long run.

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