CSR strategy in multinational firms: focus on human resource, supplier and community

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Truck: Stakeholder management

1. Introduction

According to recent literature developments, the spread of CSR principles would inevitably have a significant impact on MNC firms particularly with reference to decision concerning their management of foreign activities (Collier and Wanderley, 2005; Jamali & Mishak, 2007). Two forces seem to have influenced on multinational firms' behavior or at last intervened as more elements to consider for those firms which have an organization of their activities on global scale. Social maturity grown of international society, on one front, and cultural evolution of the political thought in several Developing Countries (from now on DC), on the other hand, are operating in the modification of the advantage assessment model in many areas traditional receivers of multinational firms production investments.

The literature has already pointed out under different perspectives the importance of this phenomena, going above all to highlight the function of moral agent of multinational firm in the spread of the principles of human rights and sustainable development (Collier and Wanderley, 2005) and the role of citizen able to bring benefits to society and environment (Porter and Kramer, 2002). Others have suggested a sustainability management system for global business organizations identifying different components to respect (Sealy, Wehrmeyer and Leach, 2009). As regards the relationship with local stakeholders some authors have underlined that CSR is increasing its importance with respect to supply chain management (Boyd, Spekman, Kamauff, Werhane, 2007).

In this perspective, emerges as the traditional comparative advantage concept at the base of international distribution of multinational activities (Porter 1986, 1990) can not be framed only in the consideration of goals and managerial criteria of the multinational firms. Even if these firms strive to reach their competitiveness objectives through a well established global value chain, they can not leave out of consideration from the adoption of a responsible behavior (Tsai and Child 1997; Anupama, 2006). CSR opens to new questions about the nature and management of MNC firms and call for a new theoretical viewpoint that necessitates a rethinking of MNC strategy.

Based on these assumptions, the paper attempts to frame MNC behavior within CSR stressing the importance of a different approach to the management of local resources and stakeholders. The article will argue for a shift of perspective about tree main stakeholders - workers, suppliers and community-by resources to be exploited to partner and co-creator of MNC value.

The paper is organized as follows. First, we analyze the literature on multinational and localizations strategy and the more recent contribution of CSR to studies of MNC. Afterwards, research problem is introduces and methodology are explained. Finally, the paper ends with a discussion about findings, and main conclusion and implications.

2. MNC and localization strategy

Studies from a wide range of disciplines (economics, business, technology) analyze the multinationalisation expansion of firms and the modality according to it can occur.
At the second half of the twenty century the Porter’s global advantage (1986, 1990) and Dunning’s eclectic paradigm (1980, 1998) began the lading conceptual frameworks for the analysis of international expansion patterns of international firm. Defining as a mix of competitive and comparative advantage the global advantage represents the basis for explaining the MNC’s configuration choice that concerns the geographical location of the organization’s activities and the integration of these activities across locations. According to strategic management school (Kogut, 1985, Porter 1986) the international diffusion of firm’s value chain set the capacity to exploit location-specific advantage while the linking of these activities across location - was fundamental to capture cross-national scale, scope and learning economies (Collins 2001). The Dunning contribution (1986) distinguished the location specific characteristics which concur to international competitiveness and recognized that it vary for different, country, sectors and firms.

However, these studies analyzed the location aspects in a context of multinational expansion that is the engagement in cross border activities through internalization choice both of them motivated at first by rational economic considerations. Further other Dunning’s studies (1998) identified location advantage as consisting of four different types: resource seeking, efficiency seeking, market seeking and strategic asset seeking. Traditionally resource and efficiency seeking investment of MNC firms where associated with, an internationalization of value chain operated through a relocation of firms activities (usually with intensive use of unskilled labor) within markets with lower labor and resources costs.

Among other studies the focus on location advantage as an outcome of multinational development arose as the main topic of international research (Prahalad and Doz, 1987; Bartlett and Ghoshal, 1989, Ghoshal and Nohria, 1989; Gupta and Govindarajan, 2000). A common theme in these studies is that MNCs both exploited existing firm-specific advantages and generated new firm specific advantages through international operations. This implicated not only the considerations about efficiency of internationalization but, mainly strategic evaluations concerning with the generation of new resources. Within this perspective a renewed conceptualization of MNC was defined according to a network-based conception which understood and appreciated subsidiaries as potential sources of MNC-wide strength (Holm and Pedersen 2000). The location of a firm’s activities may itself be an ownership specific advantage, as well as affecting the modality by which MNC augments or exploits its existing ownership advantages (Erramilli, Agarwal and Kim 1997; Chen and Chen 1998).

Contemporary many other authors highlighted as in the past 10 to 15 years the internationalization of firm’s activities operations and of trading relationships have become much more elaborate and articulated than before (Michael, B. 2003, Cruz and Boehe 2008). They noted as the pace and scale of today’s globalization is associated with the rapid emergence of global value chains resulting in the geographical fragmentation of firm’s activities. This phenomenon closely linked to the growth of global production networks has mainly been referred to in the literature as international production sharing and vertical integration of production where the various stages are optimally located across different sites as firms find it advantageous to source more of their inputs globally.

Many studies on global value chain consider fundamental to introduce new insight in the analysis of MNC organization and more complex the way they have to link with foreign counter parts. The changing nature of multinationals appears in the emerging of complementarities between internal networks of subsidiaries and external networks of cooperation with local firms and institutions (Castellani and Zanfei, 2004) and in to the choice of alternative governance mode to control activities including contractual agreements with local counterparts (Giuliani, Pietrobelli and Rabellotti, 2005; Nisbet et al., 2003). Many authors (Gereffi, Humphrey and Sturgeon, 2005) put attention to the opportunities for local producers to learn from the global leaders upgrading their products and processes and as this enhancement of suppliers’ capabilities allows lead firms to progressively outsource activities.
The call to of international networks of activities share the concern about the fact that the boundaries of MNCs are changing and getting fuzzier, and this can give rise to increasing opportunities and threats for firms and their partners.

3. CSR and MNC

Corporate social responsibility in general reflects obligations to society and stakeholders within societies impacted by the firm and its importance is increasing with respect to international firms and MNCs. As agents of global change, multinational firms are acting not simply as economic agents but also as moral agents. They must become aware of their power to create and power to destroy, and in order to choose “the good they must make a commitment to a core ethical principle that can underpin the future sustainability and prosperity of the global economy” (Collier and Wanderley, 2005).

A recent prospective is the interpretation of firms as citizen able to bring benefits to society and environment while in the same time improving firm’s competitiveness (Porter and Kramer, 2002; Husted and Allen 2004) and a differentiation strategy (Siegel and Vitalino, 2006; McWilliams and Siengels, 2001).

Very often the gap between social demand of regulation (particularly in the western society) of such issues and the ability of policy makers to supply an institutional basis for regulation has led to calls for increased self-regulation on the part of firm (Krishnan and Balachandran 2004). In a multinational environment firms are faced with potentially divergent home-country, host-country and international pressures that affect their self-regulation strategies (Muller, 2006).

Another aspect is the choice between centralized CSR strategy, which can be more efficient, and the decentralized CSR strategy. This last, while locally responsive, may be also fragmented and it increases the complexities of managing this whole set of divergent approaches (Muller, 2006). While with a global CSR strategy firm is able to effectively transmit these practices to its foreign subsidiaries, MNC has the potential to function as mechanisms for upward harmonization of CSR standards internationally (Tsai and Child, 1997). Krishnan and Balachandran (2004) found strong evidence that MNE subsidiary dependence on the rest of the company for resources was positively related to the MNE’s global standardization of environment policies, and that a globally standardized environmental policy was not linked to a significantly higher minimum level of environmental standards. Beside the possibility to adopt global CSR can reduce direct hierarchical control, because socialization and trust can substitute direct control, also in autonomous subsidiary that draws from head company’s overall CSR vision.

Some studies speak of a sustainability management system for global business organizations identifying several components to respect1 (Sealy et al., 2009).

Another important theme is the relationships with the salient stakeholders in order to plan and realize CRS strategies in multinational firms. Literature suggests that CSR strategy are generally considered best developed in consultation with salient stakeholders in local communities (Waddock and Boyle, 1995). In fact sometimes companies don’t possess all the competencies needed to address the different concerns of its key stakeholders and therefore has to enter into strategic alliances to bring complementary skills to its CSR initiatives. Also companies often implement their CSR programs through partnerships and long-term collaboration with nonprofit organizations or local communities.

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1. identification and assessment of sustainability aspects and impacts; 2. identification and incorporation of best practice; 3. sustainability management policy and planning; 4. sustainability management system, scope, interfaces and boundaries; 5. organizational sustainability management standards; 6. value chain sustainability management process; 7. sustainability management system assurance, performance, measurement and continual improvement processes.
An important aspect is the relationship with suppliers. CSR is increasing its importance with respect to supply chain management and recently firms have come under pressure to raise the level of supplier monitoring to guarantee increasing supplier compliance. With this goal some studies (Boyd, Spekman, Kamauff, Werhane, 2007) underline that higher levels of monitoring will not necessarily increase compliance and may even damage buyer-supplier relationships: in fact can reduce supplier autonomy, typically leading to buyer/supplier conflict. Instead it is important to improve commitment and trust within buyer-supplier relationships, in order to achieve the level of interaction and knowledge exchange necessary for high performing supply chain relationships. In this line procedural justice can offer an important alternative (Thibaut, Walker, 1975; Boyd et al., 2007).

Another important relationship is the change with workers and the strategic aspect of the cost of labor and the “Sustainable Living Wage”. The traditional literature has considered the first one as the main factor that firm considered in its assessment of the advantage of the local area. OCSE has defined some principles and voluntary norms to lead multinational firms to sustainable development. Some international institution (ILO, SAI, CREA) together with OCSE, have suggested to use living wage - giving many suggestions about how to calculate it -, opposed to minimum wage, as more suited indicator of a living standards.

4. The research aim

This brief review allows us to piece together the main changes that can be occurred in the management of international activities with the spread of social responsibility behavior. In particular, we want to highlight a different MNC behavior with reference to the relationship with individual both in the role of worker, supplier and communities. The selection of these three elements allow us to better explain the responsible management of local activities and the changes occurred in the management of human resources in these investigated roles.

4.1 Methodology

In the research design, we use the case method, according to the approach of Dubois and Gadde (2002), and Yin (2002). We have chosen a multiple case studies research composed of five firms which are recognized as typical case for the research (Yin 2002). The sampling data strategy followed three main criteria. First the selected firms are international firms with a widespread international supply chain also which include activities in DC. Second we focused on firms which had to have a CSR strategy defined by the presence of formalized CSR management and organization process (Smith, 2003; Porter, 2008). These elements have been assumed on the basis of well known public data that gather information about firm’s involvement on global scale and on CSR. Third, the accessibility of firm data was crucial for the sample design. Table 1 below provides an overview on our sample.

<table>
<thead>
<tr>
<th>Table 1. The investigated firms</th>
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<tbody>
<tr>
<td>BMW Group</td>
<td>Automobiles and motorcycles</td>
<td>First company in its industry to ever produce a CSR Annual Report 2007, BMW summarizes its achievements in “Corporate Social Contribution Activities” revolving around five pillars – Cultural Promotion, Education Support, Environmental Protection, Corporate Governance and Customer Integration.</td>
<td>• Presence in over 160 countries  • 21 manufacturing plants on four continents and global headquarters in Munich, Germany.  • Employs over 100,000 people worldwide, 9,000 of them in the UK.</td>
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</table>
Levi Strauss & Co.  
Apparel industry  
First launched in 1991, the Global Sourcing and Operating Guidelines (GSOG) defined the Levis guidelines about a responsible approach to workers, and responsible sourcing decisions. It reflects the firm’s four core values: Empathy, Originality, Integrity, Courage  
- 53 production facilities and 32 customer service centers in 49 countries  
- Contractual agreements with approximately 600 external suppliers in more than 50 countries.  
- Joint ventures, and country and product license agreements at approximately 350 additional facilities

Mattel Inc  
Toys  
Launched in 1997 Company Global Manufacturing Principles (GMP) to ensure safe and fair treatment of workers in the firm’s manufacturing facilities and those of the firm’s vendors and licensees, and to create safe, high quality and innovative toys in a responsible and ethical manner.  
- Operations in 43 countries  
- Agreements with 1,000 independent licensees that manufacture products in 3,000 factories operating in 60 countries and 45 markets around the world.

Timberland  
Footwear  
First introduced in 1992, in order to sustain the communities in which employees live and work, Timberland developed and re-organized its CSR strategy in 2008 focusing on four strategic "pillars": energy, product, workplace service, which are supported by several key initiatives.  
- 300 factories in 38 countries  
- Only one factory, located in the Dominican Republic, is owned and operated by Timberland; the others are contractor factories.

The data were collected through well-formalized firms' reports and other formal and informal documents, as well as the analysis of websites. The researchers coded the material independently, then came together, noted themes, and clustered them within the main research aspects considering the relations and linkages between each other.

5. Findings
In accordance with the stated aims of the study, the findings are presented under three headings: workers, suppliers, and community.

5.1 Workers
In all investigated firms, the degree of ethical compliance is arguably more meaningful than the lawfulness of a company behavior. The table 2 offers a brief view of different instruments and initiatives that witness the ethical compliance of firms with reference to three main topics: basic human rights, employee engagement, and more general human resource policies.

With reference to the first aspect, it can be noted the active support that firms provide for the betterment of labor conditions. In all the investigated firms, the labor relations category of ethical practices include the respect of a minimum basic right concerning the main elements of employees’ contracts (such as wage policy, overtime, health and safety, female and child labor, union relations and so one) that in some cases often exceed local standards. For example, all companies pay particular attention to zero tolerance for minimum age requirements and some of them (eg: Timberland and Levis) explicitly fixed limit of child labor above the limit of local law. As well as they work closely with local factories, both owned and contract ones, to identify the root cause of instances of underpayment or excessive hours, and for improvement working conditions. We also find that the management of working hours and wage in local factories represent a real challenge for all companies.
investigated that go beyond a simple business or economics matter. Timberland believes that higher wages alone do not necessarily create improved living conditions; so it has defined an approach to support and facilitate sustainable living by addressing the environment (societal infrastructure) that workers live within rather than focus on wages alone.

As second aspect of ethical compliance can be reflected in the engagement policy adopted by firms. All companies believe in the strategic role of workers and engage them to participate in the process of identifying improvement areas and to take part in initiatives to achieve positive change, sharing ideas and implementing improvements. As the importance to create a greater level of two-way information sharing, which develops a level of mutual respect, understanding, and trust, is declared clearly in Timberland and Mattel. All Companies try to expand this model of thinking to its contract supply chain globally, so ensuring human rights and the dignity of workers in their global supply chain.

In all investigated companies, also we can find that the human resources policies are concentrated on the important aspects of training, benefits and diversity. In some case, the policies are based on guidelines including the requirements detailed in the United Nations Global Compact, the ILO, the OECD, and the ICC Business Charter for Sustainable Development (BMW). Professional development and training are an integral part of workforce development strategy in these companies. In particular, as regards Code of Conduct and ethical situations, employees worldwide are required to participate in courses or meeting-room setting. Companies offer a diverse set of benefits to each employee around the world while respecting the unique cultural preferences and legal requirements of various locations. As they assure the safeguard of the global workforce diversity in terms of ethnicity, race, religion and gender.

Table 2. The workers policy

<table>
<thead>
<tr>
<th>Elements of analysis</th>
<th>BMW Group</th>
<th>Levi Strauss &amp; Co</th>
<th>Mattel</th>
<th>Timberland</th>
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<tbody>
<tr>
<td><strong>Basic labor right</strong></td>
<td>● Remuneration system based on fairly rewarding both an individual’s performance and the performance of the entire team.</td>
<td>● Minimum Working Age fixed at 15 higher than the law in some countries</td>
<td>● Improved record system keeping for working hours and overtime.</td>
<td>● Child labor as 16 higher than the law in some countries</td>
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<td></td>
<td>● Taken into account of country-specific differences (e. g. with regard to health insurance or retirement benefits) in order to offer an attractive overall package in each region.</td>
<td>● Define zero tolerance for all basic right (minimum working age, prison/forced labor; working hours, wage and benefits and so on)</td>
<td>● Implementation of corrective and recovery action</td>
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<tr>
<td><strong>Worker engagement</strong></td>
<td>● Employees’ continuous feedback through a behavior-driven leadership style and the regular staff surveys</td>
<td>● Employees’ community involvement team supporting different business and volunteers projects (eg. AIDS Action Group)</td>
<td>● Ethics Line -24-hour toll-free hotline to report unethical or illegal employee’s behavior</td>
<td>● Opening and Closing Meetings involving also floor workers</td>
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<td></td>
<td>● Local works councils to handle the respective tasks.</td>
<td>● Increasing use of digital media to inform, train and promote the participation of employees to different themes and initiatives.</td>
<td>● Confidential employees report to the Office of the General Counsel and the Internal Audit Department relating to accounting, internal controls or auditing matters on a basis directly</td>
<td>● Large use of Group Discussions where the Assessor’s role is that of catalyst and facilitator</td>
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<td></td>
<td>● Use of an improvement management system - “imotion” - in order to help staff implementing suggestions for improvement.</td>
<td>● Employees involvement in the methods of verification with responsibility standards</td>
<td>● Launched of four Employee Network Groups at corporate headquarters providing insights for firm’s recruiting, product development and stakeholder outreach.</td>
<td>● Code of Conduct Committees established by Workers.</td>
</tr>
<tr>
<td><strong>Human resources</strong></td>
<td>● Improve employee</td>
<td>● Provide grants through</td>
<td>● Offer on-site and online</td>
<td>● Home-grown training programs established and promoted by workers and factory owners</td>
</tr>
</tbody>
</table>
5.2 Suppliers

All investigated firms are international companies with global supplier chain. So establish and maintain their environmental and social standards represent a really challenging task. For all firms investigated the path to international CSR begins with and completely involves their supply chain. To manage their CSR supply chain the firms have developed an ethical sourcing strategy defined under different label and including different program which share three main elements: supplier’s engagement, involvement and enactment.

First all firms Csr strategy integrates, at global base, a supplier code of conduct representing the cornerstone of firms’ responsible sourcing strategy and of business relationships with hundreds of contractors worldwide. It includes both quality and safety requirements and develops a formalized audit and assessment activities as part of the suppliers’ engagement and of relationship maintenance and development. In any case (eg Mattel) the engagement conditions make it mandatory for suppliers to require tier-two suppliers to adhere to the same social and ecological standards.

But the ethical sourcing strategy is conceived not only according to an operative and contractual perspective. The firms believe into a process of continual improvement base, developed in cooperation with suppliers. Without a collaborative partnership the pressure on suppliers would exceed their capacity to respond, and the suppliers would implement ethical sourcing just as a formality. So Timberland’s Code of Conduct assessment process encourages all factories to improve conditions both inside and outside their walls. Company requires more than compliance; it requires management systems, worker involvement, stakeholder engagement, and continuous improvement. At Levis continuous monitoring processes on supply chain not only assure the respect of company's standards but allow and promote the continuous improvement of supplier. It stressed the firm’s effort to provide advice to ensure broad awareness and global consistency on firm’s terms of engagement (TOE) issues that may be encountered around the world and to encourage factories to take a more pro-active approach to meeting its requirements. Also BMW with its coaching program and Mattel trough its annual training programs for ethical conduct show a commitment to invest in the improvement of its suppliers’ employees.

Finally the empirical evidences show an unexpected identification about the necessity to operate CSR strategy according to a more open and network perspective where the exploration of supplier’s roles is
a central element. A significant component of CSR initiatives includes dialogue, transparency and interaction with supplier partners’ CSR practices and a concerted effort to seek out suppliers that share the same values. Timberland in fact declares its will to deliberately increase the number and the quality of its key supplier relationships, with the aim to establish win-win partnerships with suppliers who invests and are better able to improve themselves. The Timberland’s Voices of Challenge and Code of Conduct Specialists Assessors are two of many instruments created by firm in order to collect worldwide new ideas and factory service experiences, which is useful to scale its program going forward. Mattel engages directly with its factories and suppliers to emphasize expectations of continuous improvement. It declares the will to build long-term relationships with suppliers in order to grow and develop together. Moving forward, Company remains committed to its goal of implementing an open supplier and stakeholder dialogue process and has created a formal stakeholder engagement role in its Corporate Affairs department.

So Levis enhances open dialogue and interaction with suppliers and other stakeholders considered important way to improve its practices and share better experiences, as well as to better fit to the emerging and local issues. Company believes that collaboration among different suppliers and others partner can create common standards and shared solutions helping to advance CSR for the benefit of all.

<table>
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<tr>
<th>Supplier’s engagement</th>
<th>BMW</th>
<th>Mattel</th>
<th>Levis</th>
<th>Timberland</th>
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<tbody>
<tr>
<td>Group’s purchasing division (IPO) with responsibilities to implement sustainability standards throughout the value chain.</td>
<td>Supplier quality and safety requirements defined by Company’s Global Manufacturing Principles</td>
<td>Global Sourcing and Operating Guidelines (GSOG) as a standard for responsible sourcing.</td>
<td>Specific classification of suppliers based on Code of Conduct assessments</td>
<td></td>
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<tr>
<td>Coaching Program&quot; to inform and sensitize supply about social and environmental themes</td>
<td>Annual investment in training on Mattel’s standards for ethical conduct</td>
<td>Formal Guidebook as specific guidance on firm’s TOE standards, expectations and corrections of violations and as means to promote and diffuse best practices,</td>
<td>Code of Conduct Specialists Assessors to encourage suppliers to improve conditions both inside and outside their walls.</td>
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<tr>
<td>Assist potential local suppliers in building up necessary competences concerning environmental and social standards</td>
<td>Implement an open suppliers and stakeholder dialogue process through a formal stakeholder engagement role in its Corporate Affairs department.</td>
<td>Open dialogue and interaction with suppliers to improve its practices and share best experience</td>
<td>Several instruments to collect contributions from suppliers and stakeholder (eg. Timberland’s Voices of Challenge and Code of Conduct Specialists Assessors)</td>
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*Table 3: Supplier strategy*
5.3 Community

In all investigated firms, we've found an intensive change with the local communities, beyond the philanthropic initiatives. All cases show a CSR approach based on the involvement of multiple stakeholders. According to Mattel and Levis statements it is necessary to promote values beyond compliance, with the ultimate goal to strengthen communities and workers’ lives in a more wide perspective. All the companies seek to engage workers in the communities where they live and work so that they too may create better quality-of-life conditions for themselves and their communities. These can range from anything as simple as the sponsorship of local sports teams, giving advice on organizational strategy to non-governmental organizations or engaging staff in a fundraising campaign for a particular charity. But the quality-of-life improvements and opportunities for betterment for all factory workers and for the people who live in their communities represents more than the right thing to do but also an opportunity for firms themselves.

According to firms’ perspective the ethical behavior has to be managed with reference to the context and framed within a multilateral and network partnership. Timberland case well explains this concept. When deciding on the strategy for community-based CSR strategy, the key for firm is to design a project which reflects the company’s philosophy, fulfils a need within the local community and matches the available resources of the firm with the potential resource activated by local involvement. All Companies encourage local factories to seek input from outside parties such as community members, local NGOs, other area factories, and governmental or industry organizations regarding their factory, worker needs, and training expertise. They have formalized strategic collaborations, joined in and partnered with governments, agencies and in-country organizations to bring networking skills and training to the underserved and disadvantaged as pillar of the their Corporate Social Responsibility. Good Local communities’ relationships are considered strategic for firms business and responsible objectives. In the view of Levis culture it means to allow to the firms a good public image, good opportunities for recruitment and a motivated and proud staff. Also the local communities have an important role as continuing stream of ideas. Levis are promoted the creation of scores of Community Involvement Teams (CITs) -company-sponsored groups partner - that identify needs, plan activities, and create volunteer and donation opportunities. CITs implement innovative solutions with reference to numerous causes including HIV/AIDS, environmental sustainability, homelessness and so on.

Discussion and conclusion

In the figure below, we tried to summarize the change of perspective, occurred in the management of MNC according to CSR strategy with a clear remark to foreign activities in DC.

Beyond others aspects that are important, we find that the relationships with individual both internal and external to firm, is a pass key to gain understanding of the evolving path of MNC toward a responsible and sustainable strategy. Worker, supplier and community represent the really challenge ahead and the management of relationship with these actors the starting point within which to frame a fresh approach to internationalization in a more integrated ethical and economic view.

The investigate cases allow us to highlight the new role of partner assigned to all considered actors in the foreign context enough far from traditionally international studies based only to source at the lowest possible price. The well established internal business and economics literature dealing with the concepts of worker as low cost input to exploit, of supplier as cheaper commercial partner or productive provider and of communities as constrain to be overcome show all its interpretative limit. The re-conceptualization of multinational strategy in consideration of CSR, and the responsible
management of local activities in DC have to be considered the multinational firms' efforts into management of human resources beyond law, the initiatives to assure the respect of human rights and of principles of sustainable development in the whole global supply chain as well as the important engagement of communities for the reciprocal grow.

**Figure 1. Towards a responsible management of local resources**

<table>
<thead>
<tr>
<th>Worker</th>
<th>Traditional MNC studies</th>
<th>CSR orientation to MNC strategy</th>
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<tbody>
<tr>
<td>Supplier</td>
<td>Cheaper commercial partner or capacities provider</td>
<td>Co-investor in mutual and growth relationship-</td>
</tr>
<tr>
<td>Community</td>
<td>bond to overcome or resources to be exploited</td>
<td>partner and resource to be enhanced</td>
</tr>
</tbody>
</table>

As all investigated cases show, the local stakeholder’s engagement and involvement practices become critical and strategic matters in the management of the foreign localized activities. First of all they operate through a global social responsibility approach to the management of the local stakeholders where the improvement of social and economic matters are at the base of unified CSR strategy often exceed the local requirements. This in line with other literature results show as MNE has the potential to function as mechanisms for upward harmonization of CSR standards internationally (Tsai and Child, 1997) and to act as a moral agent with the aim to spread social development models and social maturity grow for the betterment of wider communities (Collier and Wanderley, 2005).

But as more remarkable results we find in all investigated firms a declared statement that CSR strategy in a global context can be developed only with the contribution of other local stakeholder. CSR strategy is not limited to a simple implementation of standards but is based on active participation of stakeholder. High will and commitment has been proved by firms to ensure that these actors express their potential in supporting the MNC’s CSR practices and contribute to their economics and social objectives. They are considered not simple resources to be exploited but resource to be enhanced and engaged in a co-creating value process.

This approach to a Global CSR Strategy could impact on the MNC management process at least with reference to two main aspects:

1. improvement and the possibility of an active contribution of the local stakeholders reduces the need of hierarchical control on behalf of agreement and partnership forms also in low developed country
2. the increase investment and costs required both for the company and for suppliers could have a direct effect on MNC decision making process and its impact on analysis of counties attractiveness

Further researches have to be carried out in order to overcome the exploratory nature of the present study and analyses in-depth antecedents and implications of CSR strategy in MNC.

**References**


