"Global Means – Local Ends": Patterns of Corporate Social Responsibility (CSR) in Foreign Multinational Enterprises (FMNE's) Operating in Israel

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Abstract:

The study involves the description, documentation and analysis of Corporate Social Responsibility (CSR) policies and initiatives of a sample of 30 Foreign Multinational Enterprises (FMNE's) ranked in the Dow Jones World Sustainability Index (DJSI), operating in Israel in various industry sectors.

I shall ask whether and under which circumstances they can be classified by one of the three ideal patterns of CSR:

- Ethical CSR is motivated by the wish to do what is considered “right” and considered primarily as an accomplishment of the corporation’s moral commitments. This is “social responsibility” in the sense that the corporation is morally responsible towards any individual or group who might be wronged or damaged by its actions (Chewning et. al, 1990, Miller and Ahrens, 1993).

- Altruistic CSR is driven by good corporate citizenship and the will to be good, do good and give back to society as an inherent part of the enterprise’s values and culture. This pattern of CSR extends beyond taking action to prevent or rectify injustices inflicted by the corporations themselves (ethical CSR) to accepting liability for social flaws or deprivations not caused by the corporation and taking action to resolve them. The use of the adjectives “altruistic” to describe this type of social responsibility points out that the corporation takes voluntary action to improve general social welfare at the expense of its economic resources, and accepts liability for social injustices for which it is not directly responsible (Lantos, 2002, Roitsten, 2005).

- and Strategic CSR, driven by strategic decision making, the reduction of social and political risks and development of financial advantages and performance interests, aimed at achieving business goals by means of involvement in public policy dialog and includes social responsibility initiatives that respond to both economic and social needs.

So that CSR can contribute to improving the corporation’s competitive context and can help create a viable advantage, there must be a connection between the corporation’s core abilities (its inner strengths) and the needs of the local community and environment (its external opportunities) (Werther and Chandler, 2006).

Thus, we can define two criteria for strategic CSR: first, taking into account the needs of the local community or environment in which the corporation operates, and second, a connection to the corporation’s core capabilities.
Secondary research questions are:

1) What is the affinity between the corporation’s CSR policy in the host country (Israel) and its CSR policy in its country of origin?

2) What is the affinity between the corporation’s CSR policy in the host country (Israel) and CSR policy in its industry?

Research Rationale

CSR policy by FMNE’s, as it is manifested outside their countries of origin, has not yet been studied in-depth (Gnyawali, 1996, Meyer, 2004).

Theoretically, this study could contribute to the development of descriptive CSR theory (Donaldson and Preston, 1995), by promoting the distinction between the various patterns of social responsibility – the ethical, the altruistic and the strategic. Practically, this study could extend the knowledge of background data and motives of FMNE’s operating in Israel to adopt any one CSR pattern, and to which extent this choice is influenced by the mother corporation’s global policy on the one hand, and by CSR policy in its industry in the host country, on the other hand.

Methodology

The study is exploratory in nature, and was, therefore, conducted by means of qualitative methods of semi-structured in-depth interviews and review of internal documents.

References:


