

A Review of the Relationship between Internationalization and Corporate Social Responsibility in Business Operations

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Abstract: In the course of internationalizing business operations, alterations in business strategies and deviations in the execution of corporate social responsibility may occur. Scholars both domestically and internationally have conducted investigations into the correlation between internationalization and corporate social responsibility, resulting in a range of theoretical outcomes. Grounded in the context of globalization, this paper provides a comprehensive and multidimensional summary of existing research by synthesizing relevant literature. Lastly, this paper suggests avenues for future research in light of current research limitations, and reflects upon and anticipates the developmental trajectory of the study of the relationship between internationalization and corporate social responsibility.

Keywords: Internationalization, Corporate Social Responsibility, Review.

1. Research Background

With the deepening of global economic exchanges, companies are continuously expanding their international markets, making it a current hot topic of research to investigate how to efficiently fulfill corporate social responsibility in the process of international business operations. As companies continue to grow and expand globally, the relationship between internationalization and corporate social responsibility (CSR) becomes increasingly important. This is because the company's business strategy and CSR implementation may vary during the process of internationalization. As a result, both domestic and foreign scholars have studied the relationship between internationalization and CSR to better understand the impact of internationalization on CSR performance. The results of these studies have formed a series of theoretical outcomes, providing insights into the relationship between the two.

2. Foreign Research Status

In terms of theoretical research, Godiwalla and Damanpour (2006) believe that the scope of social responsibility of international businesses covers the local, host country, and global levels and that the needs of all three stakeholder groups must be considered in fulfilling social responsibility, thus imposing higher requirements on businesses' fulfillment of social responsibility[1]. Siegel et al. (2006) used corporate theory to explain the motivation of businesses to proactively assume social responsibility in international operations. They believe that taking on social responsibility is like a type of investment and that businesses that proactively assume social responsibility will be more competitive and benefit economically than those that do not or assume less social responsibility[2]. Hopkins (2003) believes that fulfilling social responsibility can enhance a company's reputation and attract more consumers and investors, thus benefiting its long-term development[3]. Carroll (2004) proposed the International Business Social Responsibility Pyramid Model, which states that international businesses should assume responsibility at four levels: economic, legal, ethical, and

philanthropic[4]. Gugler et al. (2008) believe that international businesses have different responsibilities towards developed and developing countries. Some developing countries cannot accept Western-style social responsibility, but some, such as China, have already begun to actively formulate and implement corporate social responsibility standards to enhance international competitiveness[5]. However, Brandon and Marlin believe that taking on social responsibility requires a large investment of resources and increases business costs, putting them at a disadvantage in market competition[6]. In terms of empirical research, Simerly et al. (1998) conducted an empirical study on the relationship between the internationalization degree of more than 50 industries and 350 companies and their social responsibility performance and found no obvious correlation between the two[7].

3. Domestic Research Status

There are few related studies in China on nationalized management and corporate social responsibility. Scholars generally believe that internationalized management has added new content to corporate social responsibility. Cui Xinjian (2007) believed that the social responsibility of internationalized management enterprises is different from that of single country-operated enterprises and adopted the method of spatial subdivision to build a new conceptual framework for corporate social responsibility based on the gradient of internationalization, clarifying the social responsibilities that internationalized management enterprises should bear to their home country, host country, and internationally [8]. Xu Erming (2006) pointed out that the international market, especially the European and American markets, that internationalized management enterprises face often have more stringent corporate social responsibility standards than the domestic market, posing new requirements for enterprises [9].

Some scholars believe that internationalized management will affect the performance of corporate social responsibility. Miao Hebing (2008) constructed a social responsibility driving factor model based on internationalized business

management, proposing that a strategy of continuous harmonious development is the core factor of internationalized enterprises that pay attention to social responsibility. In addition, the demands of investors, pressures from competitors, expectations of the public, and the pressures of globalization and localization work together to prompt enterprises to continuously improve their performance of social responsibility [10]. Liu Yunlong (2013) tested the impact of internationalization and international diversification strategies on the performance of social responsibility for state-owned and privately-owned enterprises and found that internationalization and international diversification can improve the performance of enterprises in fulfilling their responsibilities, and this positive impact is more significant in privately-owned enterprises[11]. Kang Haibiao (2016) found through research on the impact of internationalization on corporate social responsibility in China that international diversification has a positive impact on corporate social responsibility. Enterprises are able to adjust and improve their social responsibility performance according to changes in the international environment and market demand[12]. There is also academic research that argues that international business operations can have a negative impact on the fulfillment of corporate social responsibility. Chen et al. (2016) conducted an empirical study of A-share listed companies and found that, considering rational economic considerations, international businesses tend to reduce their charitable donations to their home country when operating in countries far from their home country[13].

On the other hand, some scholars believe that fulfilling corporate social responsibility by international businesses can help improve their international competitiveness. Wang (2016) studied the impact of corporate social responsibility on the competitiveness of international businesses and proposed that the actions of stakeholders in host countries, the institutional environment in host countries, and the degree of transparency of corporate social responsibility information can all affect the formation of international business competitiveness[14]. Shao (2010) believed that international businesses fulfilling their corporate social responsibility can lead to new business opportunities in the process of solving social problems, thereby enhancing their innovation capabilities and competitiveness[15]. Wu (2018) conducted an empirical study of the top 100 social responsibility listed companies in China and showed that corporate social responsibility behavior can help improve their competitiveness, particularly in terms of resource capabilities, which are especially important in international competition[16]. According to Guo's (2012) research, corporate social responsibility promotes sustainable development and enhances international competitiveness of businesses through the mechanism of reputation and interaction with stakeholders[17].

In reality, regulating the behavior of international businesses effectively is somewhat challenging. There is still room for improvement in terms of the fulfillment of their social responsibilities. Sheng et al. (2009) found through a study of the relationship between the government-mandated corporate social responsibility systems and their actual implementation by businesses, that due to insufficient government regulation, most transnational corporations in China merely fulfilled the most basic of social responsibilities, with frequent occurrences of social responsibility gaps[18]. Sun et al. (2017) constructed an evaluation system and analyzed the social responsibility levels of the world's top 500

transnational corporations in China, finding that their social responsibility performance in China was generally weaker than that of their headquarters in their home countries. Transnational corporations with a high level of internationalization, developed home countries, and long geographical distances from China showed relatively lower degrees of weakening of social responsibility[19]. Zhu (2006) pointed out that under the background of economic globalization, the government plays a dominant role in the fulfillment of corporate social responsibility, and the government's guidance and regulation influences the development direction and level of corporate social responsibility[20]. This shows that promoting the fulfillment of social responsibility by international businesses requires not only effective regulation by host countries but also attention from home countries.

4. Research Prospects

Based on existing studies on the relationship between internationalization and corporate responsibility, a majority of scholars support and confirm the view that internationalization helps businesses fulfill their social responsibilities. Internationalization brings new requirements and content to corporate social responsibility and helps businesses to strictly adhere to global standards and optimize their implementation of local social responsibility. High level fulfillment of social responsibility also contributes to the enhancement of competitiveness for internationalized businesses.

Prospects of the study on the relationship between internationalization and corporate social responsibility include exploring the influence of internationalization on corporate social responsibility in different industries, regions, and cultural contexts, to gain a better understanding. Enhancing empirical research on the relationship between internationalization and corporate social responsibility to confirm the actual impact of internationalization on corporate social responsibility. Strengthening practical research on the relationship between internationalization and corporate social responsibility to provide practical application experiences for enterprises.

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