Today many corporations are looking to expand their global reach and earn the title of multinational enterprise. However, in recent months the news has been filled with reports of suicides, explosions, and awful working conditions in product suppliers of major corporations such as Apple’s iPhone producer, Foxconn. Although Apple claims that they would like to better the working conditions for the employees of its suppliers, they seem to ignore this avowal when following through would jeopardize supplier relations or delay production (Greene, 2012). With Apple not being the only company to be face public scrutiny for global labor infractions, reorganizing stagnant business strategies may assuage a damaged reputation.

HR’s Role

When a company refuses or neglects to consider the human rights of its own workers as well as its supplier’s employees, HR must take an active role to correct the issue. This is because not only is this the right thing to do, but should also help a company achieve higher profits in the long-term. The specific practices HR can adopt to ensure proper business ethics and avoid global labor infractions are: 1) creating and enforcing a consistent and strong culture that values labor standards, 2) forming a corporate social responsibility program, and 3) developing a code of conduct.

Consistent Culture. The current role of international strategic human resources is to generate and implement policies and procedures that will help the multinational business attain its global strategy (Briscoe, Schuler, Tarique, 2012). In an idyllic business climate a corporation would constantly be analyzing the environment it operates in and continuously altering its strategy to maintain its competitive advantage. HR departments would be able to stay involved in the strategic planning process and execute policies that perfectly match the company’s vision. Unfortunately this utopian business climate does not exist and international HR departments have to traverse hazardous situations like those currently facing Apple and Foxconn. HR can help organizations avoid these labor infractions by staying closely involved when missions or goals are created, scanning the environment for threats and opportunities, and designing plans to attain to a company’s goals HR can play a significant role in circumventing corporate damaging infractions (Briscoe et al., 2012).

A strong cultural message sends a message to employees about what is important to the company (Veral, 2005). It is perhaps the most important tool in limiting global labor infractions because it sets a standard for all employees to operate by. This suggests that culture should be the same regardless of global location and should also be applied to suppliers and subcontractors as well. The following sections, corporate social responsibility and codes of conduct, should be based on the company culture.

First, the culture should be consistent across global locations within the organization. An extension of the firm in China should receive the same message as its United States headquarters. To be consistent, HR from the different locations should discuss similarities and differences among their multinational employees and collaborate on how to create an effective training program. By understanding how employees differ before developing the training will not only facilitate the implementation of the culture across the company, but will also render the development cost-effective by brain storming discrepancies beforehand.
Second, enforcing a zero tolerance culture for supplier and subcontractor abuse is HR’s new role as corporations spread across the globe. This role is imperative as it not only guards the company against reputation damaging infractions, it can also increase productivity and limit legal costs. The corporation and HR department must collaborate about the company values to determine which stance the company would like to take on its culture; one that merely meets global labor standards or a culture that aims to respect all employees and contractors and set the bar of business ethics for its industry.

The first step for international strategic human resources is to establish a culture within the organization that values proper business ethics across the globe. An organization that wants to operate globally needs to have its culture crafted in a way that everyone from the CEO to the line worker understands that the company will practice proper business ethics. The culture should encourage employees to meet difficult questions with a sense of ethics and integrity for the company (Briscoe et al., 2012). When developing this culture HR should also identify the proper means of communicating the culture through training.

A culture focused on avoiding global labor infractions should stress the importance of practicing proper business ethics in every environment, even when the local laws do not require it. If a company is operating in a developing nation that does not require an employer to check the age of potential employees or place limits on the amount of hours they work, the culture developed by the HR department should guide the company to maintain their standards and treat the employee’s as they would any other.

The culture should also influence major business decisions. When a company is deciding to whom it should contract work to for its production needs, the company should check the history of the contractors to ensure that they have not consistently violated the human rights of their employees. Had Apple looked deeper into Foxconn’s history of how it treated its employees, Apple may not have been dealt such a blow to its reputation. An example of this is the new guidelines Hewlett-Packard announced earlier this year. HP set new practices for how its suppliers should treat its employees and enforce the ethical standards the company wants to embody (France-Presse, 2013). With these new policies HP has created a culture that showcases its ethical practices not only to consumers and employees, but to any company that wants to contract projects from HP.

Corporate Social Responsibility. Another responsibility for HR to help companies avoid the negative press from being a global company is to develop a corporate social responsibility (CSR) policy. Such a policy not only preaches the ethical constructs the company embodies but also boosts its reputation with consumers by developing the knowledge, skills, and abilities of the communities in which the company operates (Briscoe et al., 2012). HR can use CSR’s to not only provide ethical treatment to members of these communities, but also increase organizational performance (Mill, 2006). Instead these new policies bring attention to the value, both economic and professional, that multinational companies bring to the communities in which they function (Briscoe et al., 2012). By focusing time and effort into developing these programs a company can add strength and credibility to the culture of ethical business they are creating.

In structuring a corporate social responsibility policy HR should be involved in deciding if business moves are fair and sustainable to the community they are operating in as well. HR has the responsibility to not only create and implement the culture and policies that are aligned with proper business ethics; they are also responsible for ensuring the business follows them. The practice that HR should adopt is one that seamlessly merges organizational goals with the best interests of the employee (Briscoe et al., 2012). By creating an environment where the
corporation looks to the effect it may have on the community in the future, HR can ensure that the company maximizes the value of their presence in the community by providing opportunities and skills that domestic companies cannot offer. Great opportunity can mean more to a community than the wage or benefits provided.

**Code of Conduct.** HR should also develop a code of conduct for suppliers and employees that will be working in international locations. An ethical culture and corporate social responsibility program cannot be effective if HR does not set an official code of conduct in place. The code of conduct is used to define what types of behavior are deemed acceptable when it comes to dealing with employment relations in another country (Briscoe et al., 2012). The code should consist of the following elements: the social mission which outlines the company goals, the items covered by the code such as wage, the checklist to ensure that the code items are followed, and performance metrics (Veral, 2005). When a company has a culture that focuses on the ethical treatment of its employees and its supplier employees, the code of conduct is used to set the rules and regulations and define what the company regards as legal and ethical behavior. The company should also let the public know that it has developed the code of conduct voluntarily, boosting its image with consumers (Veral, 2005).

**Conclusion**
As multinational corporations become the norm in modern business, strategic HR must set an example throughout the organization of what it means to operate ethically. By creating a culture of ethical behavior, corporate social responsibility programs, and a well defined code of conduct, HR can help navigate the treacherous landscape of international labor standards. If a rogue supplier decides that it does not wish to change its employment practices HR must stand against them and urge the company to cut ties with its unethical counterpart. HR departments can not only help create a new standard for the treatment of global laborers, they can also help drive organizational performance and develop the skills of the communities that may not have the chance otherwise.

**References**