



Overview

Why corporate social responsibility should be recognized as an integral stream of international corporate governance

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Abstract: This paper reviews the existing corporate social responsibility (CSR) content in the field of international corporate governance (ICG) and suggests specific lines of potential integration of existing theory and research on topics such as green finance, sustainability, and bottom-of-the-pyramid studies. The approach began with an extensive review of the literature in ICG culminating in a review by Aguilera et al. (2019) in which three streams of ICG research were identified. Examples of existing elements of CSR were subsumed in these dimensions, and an argument was made for more integration. CSR was not an important part of international business theory and research in the early days of the field. However, sufficient research exists now in CSR and of CSR topics in the field of international business to justify that CSR should be recognized as an important stream in ICG. This integration would be beneficial since calling attention to the development of theory and research and data availability in CSR can inform international business (IB) and ICG researchers and enable them to tackle previously under-researched issues from other disciplines and areas of the world.

Keywords: corporate social responsibility (CSR); corporate governance; grand challenges; green finance; international business; international corporate governance (ICG); sustainability; wicked problems

JEL Codes: M16

Abbreviations: CEP: Council on Economic Priorities; CG: corporate governance; CRA: Community Reinvestment Act; CSO: chief sustainability officer; CSR: corporate social responsibility; EPA: Environmental Protection Agency; GC: grand challenges; GRI: Global Responsibility Initiative; IB: international business; ICG: international corporate governance; ISO: International Standards Organization; *JIBS*: *Journal of International Business Studies*; KLD: Kinder, Domini, Lydenberg; KPMG: the brand name under which the member firms of KPMG International Limited provide accounting, auditing, and legal services. KPMG International is an English company based in London. MNC: multi-national company; MNE: multi-national enterprise; MSCI KLD: A US-based investment firm that provides an index of ethically screened companies based on the index developed by KLD; PRI: Principles of Responsible Investment developed by the United Nations; SR: social responsibility; SRI: socially responsible investment; TMT: top management team; WP: wicked problems; US: United States

1. Introduction

Two key pieces in the corporate government literature on corporate social responsibility (CSR) inspired this paper. First is the call for more integration of international business themes in the research of comparative corporate governance (Judge et al., 2010); the second is the review of the literature on international corporate governance (ICG) by Aguilera et al. (2019), hereafter termed “the review”. The first article is a call to arms for researchers in corporate governance to look beyond the mainstream topics and countries of interest prevalent at that time. The second, published almost a decade later, proposes three “main streams” of ICG research and gives further suggestions for expanding the field and including broader topics. The review is both thoughtful and comprehensive, including more than 100 articles published in more than a dozen journals over four decades. Three streams of ICG research are proposed: corporate governance of the multinational corporation (MNC), MNC governance, and comparative corporate governance of the MNC. The conclusion recommends further research *within* each stream, including topics such as creditor’s rights and bankruptcy costs, how banks and auditors serve as monitors of foreign subsidiaries, corporate governance in advanced vs. emerging markets, and how governance standards affect labor rights and shareholder rights. Finally, recommendations are presented for further research at the *intersection* of each two streams and at the intersection of the three streams, represented by areas of study such as how shareholder vs. stakeholder control affects MNCs’ preference for specific foreign market entry modes, and how stakeholders affect decision-makers’ risk preferences.

The aim of this paper is to demonstrate that research on CSR should be recognized as a fourth stream of ICG research and to show how this recognition can lead to linkage with other important research streams, specifically grand challenges (GCs) and wicked problems (WPs). This idea is based on the observation that many aspects of CSR are integral to the three streams of ICG research identified in the review and especially to the area where the three streams intersect. As evidence, it is noted that topics in ICG put forth in the second sentence of the review have all been studied within the CSR framework: “practices that monitor managers, deter minority shareholder expropriation, enhance reporting disclosure, or engage employees in board decisions” (Aguilera et al., 2019). Examination of the areas the review suggests for further research also indicates close kinship to CSR, as demonstrated by items such as shareholder-oriented vs. stakeholder-oriented governance systems, human capital and

social capital, and interest alignment among various stakeholders. The viability of CSR as a voluntary activity, or even as an activity conforming to government requirements where co-option of regulatory agencies by corporations has occurred, remains open to question even with the proliferation of CSR committees, compliance officers, external monitors, and many other signals of CSR in ICG. As long as companies have the discretion to set goals and assess the degree of achievement, and as long as trade associations and lobbyists maintain existing power and influence in ICG, the effectiveness of actions not adequately mandated and not adequately monitored will remain open to question.

2. Review of the literature

In presenting an argument for the inclusion of CSR as a “fourth stream” in ICG, first, we review some of the literature on how extensive the CSR coverage is (or is not) in existing IB literature. Second, we discuss several benefits that could derive from the inclusion of CSR as a “fourth stream” of ICG. These include considerations such as bringing new data into the purview of ICG, linking to a body of literature on top management team (TMT) decision-making that is relatively unrepresented in ICG, bringing focus to the relatively new position of chief sustainability officer (CSO) in TMTs, and enabling the ICG field to incorporate newly emerging normative expectations such as green finance, human rights, diversity, inclusion, and equity, among others. Finally, CSR is presented as a way for ICG to link to the overarching themes of grand challenges (GCs) and wicked problems (WPs), which have become important foci for research globally in several fields within the management purview and in other disciplines and professions.

One way to define CSR is to use the definition provided by the International Standards Organization (ISO) in ISO 26000, using the term “social responsibility”. Their dimensions can be summarized as including the following: environment, social, stakeholder, societal obligation, quality of life, ethical conduct, law-abiding, human rights, and transparency (Moratis, 2016).

Several studies have found little inclusion of CSR in the IB literature. Inkpen and Beamish (1994) analyzed the first 25 years of research published in *the Journal of International Business Studies (JIBS)*, the leading journal in IB. They did not report social responsibility or CSR as a topic area but found business–government interaction the only relevant term, coming in as number 11 out of 24 topic areas identified. Buckley (2002), in a later analysis, did not find CSR as a topic in the body of IB literature examined. Egri and Ralston (2008) looked specifically for four CSR themes in IB literature, finding evidence of budding interest in CSR, environmental responsibility, ethics, and governance. Griffith et al. (2008), considering six leading IB journals from 1996 to 2006, found MNC citizenship, ethical issues, public policy issues, and environmental issues combined made up approximately 10% of the themes. Doh et al. (2010) and Kolk and Van Tulder (2010) found more attention paid to CSR issues in IB journals than JIBS. Kolk (2016) and Pisani et al. (2017) found growing interest in CSR in IB. Bhattacharyya et al. (2020) found a growing number of countries and CSR issues represented. Paul and Parra (2021), considering articles appearing in *JIBS* from 2000 to 2018, found that about 35 out of 1188 articles demonstrated a considerable amount of CSR emphasis (Paul and Parra, 2021). These studies consistently indicate little attention was paid to CSR in the field of IB in the past, but there is a growing interest now. It is a bit of an assumption to generalize from the field of IB to the subfield of ICG, but a search for articles combining the terms ICG or “corporate governance” and CSR or “social

responsibility” shows negligible studies prior to 2021, with a few articles appearing around that time, e.g., Yoshikawa et al. (2021) and Tibiletti et al. (2021).

Despite the paucity of representation of CSR studies in ICG or IB, there have been calls for inclusion of topics within its purview since the Judge et al. (2010) editorial statement, especially in connection with the emergence of the twin paradigms of GCs and wicked problems. The editorial team of the *Academy of Management Journal* advocated for an emphasis on “grand challenges” (hereafter, GCs) and called for more research on many CSR topics such as climate change (Howard-Grenville et al., 2014), aging societies (Kulik et al., 2014), natural resources (George et al., 2015), societal resilience (van der Vegt et al., 2015), digital workforce (Colbert et al., 2016), digital money (Dodgson et al., 2015), and gender inequality (Joshi et al., 2015), among others (George et al., 2016).

Similarly, Buckley et al. (2017) presented “understanding how multi-national enterprises (MNEs) respond to greater pressures for social responsibility and sustainability in the global operations” as one of the GCs for the field of IB, indicating that CSR merited further attention and inclusion in IB.

This paper argues that CSR should be recognized as a more integral part of ICG, even rising to the level of a fourth “stream” as proposed by Aguilera et al. (2019). This assertion is based on several ideas elaborated here.

3. How CSR data can be informative in ICG

One reason to include CSR as a principal element in the realm of ICG is that it can bring in the use of many relevant data sources that can further the field of IB along with the subfield of ICG. When CSR began to appear in the management literature, data sources were limited, as reported by Brown and Perry (1995).

Several studies in the 1970s and early 1980s relied on reputational indexes created individually by Moskowitz (1972, 1975) or by his survey of Master of Business Administration (MBA) students and executives. Although the validity of these studies was criticized, there were no other measures available at the time. *Fortune* magazine published its first annual survey of “America’s Most Admired Corporations” in 1983 (Makin, 1983). Researchers eagerly adopted one attribute, “responsibility to the community and environment”, as a measure of CSP. The *Fortune* data have been used in empirical research (e.g., Chakravarthy, 1986; McGuire et al., 1988), but the findings are suspect because the ratings have been shown to be distorted by previous financial performance (Fombrun and Shanley, 1990). For the *Fortune* data to be useful, that financial performance “halo” must be removed.

Running parallel to work on CSR is the idea of corporate social performance (Wood, 1995, 2010), a concept more amenable to measurement than CSR [although CSR or just social responsibility (SR) remains the dominant term used]. The idea of monitoring CSR corporate social performance as a subject of management scholarship can be dated to the development of the Sullivan Principles to identify particular social goals of US companies regarding the South African government’s institutionalization of apartheid (Paul and Aquila, 1988). A parallel source came from the Council on Economic Priorities (CEP) in identifying which consumer products were appropriate for those wishing to express their ethical convictions in ordinary buying habits, or which companies might become the subject of consumer boycotts. This is where Lydenberg, widely seen as the architect of the standards used in the KLD (now MSCI KLD) database, initially formulated his methodology

(www.bloomberg.com/news/articles/2021-10-01). However, these early sources were hard to use for serious empirical studies due to the lack of transparency about how judgments on CSR were being made, the lack of systematic databases suitable for empirical analysis, and questions on the sustainability of these efforts. Linking data collection to SRI had the unparalleled advantage of providing an ongoing source of financial support for data collection and research refinement by means of management fees provided by investors to the monitoring bodies.

4. Implications

Since those early days, many data sources for CSR have been developed (Wood, 2010). International data are now available through data reporting standards such as the Global Reporting Initiative (GRI) and company reports. Expectations for increased CSR disclosure have been influenced by the creation of the Global Reporting Initiative (GRI) and the growth in stand-alone CSR reporting (Cho et al., 2015). Established through a joint effort between the United Nations Environmental Program and the Coalition for Environmentally Responsible Economies in the late 1990s, GRI offers guidelines for CSR disclosure across not only environmental but also social dimensions. Ballou et al. (2006) claimed that nearly 1,000 organizations worldwide were following GRI by 2006. Other evidence indicates that the practice of CSR reporting through separate stand-alone reports has grown dramatically over the past decade. For example, KPMG, in its 2011 survey of CSR disclosure, reports that 95% of the Global 250 had issued some type of stand-alone CSR report.

Another source of data on CSR in MNCs comes from a combination of government requirements and corporate mimicry, as publishing CSR, sustainability, or corporate citizenship reports becomes a normal function of corporations. Institutionalization of the office of Chief Sustainability Officer or Compliance Officer is another factor encouraging this trend. In the US, the Environmental Protection Act (EPA) data and the Community Reinvestment Act (CRA) were both valuable sources of data for analysis of particular aspects of CSR since the 1970s. The European Union adopted the EU Directive 2014/95/EU on October 22, 2014, requiring disclosure of non-financial and diversity information by companies or public interest entities (PIEs) that had two of the following three characteristics: balance sheet total of EUR 20,000,000; net turnover of EUR 40,000,000; average number of employees of more than 250 during the financial year (European Union, 2013). The standard was voluntary for the first few years but became mandatory in 2017. The precise ways in which companies report on the required areas are left to a great deal of company discretion. However, this directive, in time, will allow comparisons to be made of company CSR within and between EU countries. A review of the extant literature has been done by Korca and Costa (2021), identifying 78 studies done just in the years between 2014 and 2017. They report 23 studies done in Italy, 14 studies from Poland, and 10 articles from Germany. Spain was represented in 9 studies, with both the United Kingdom and France having 7 studies. They report other European countries have been represented in 5 or fewer studies, except for Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Luxembourg, Malta, and Slovakia. However, a later study by Ottenstein et al. (2021) identified company reports coming from Bulgaria, Cyprus, the Czech Republic, Hungary, and Luxembourg.

European standards are also being used in non-European countries including Australia, Norway, Russia, South Africa, Switzerland, Turkey, and Ukraine (Korca and Costa, 2021). Using the GRI

framework, Laskar (2018) did a study on corporate sustainability reporting in Japan, South Korea, Indonesia, and India. The top 100 publicly traded companies in India are mandated by the Securities and Exchange Board of India to produce annual business responsibility reports. Several studies have been done on CSR reporting in Brazil, Mexico, China, and India.

SRI or impact investing continues to be an important source of data for studies of SRI. After the “first generation” of reporting on the link between CSR and financial performance was based mostly on the KLD dataset now held by MSCI, these data have been expanded to include more companies and, especially, more international companies. They provide KLD-type indices focusing on Japan, Europe, the world, and emerging markets. These resources could be used with great effectiveness in ICG. Important principles in the operationalization of CSR are provided by the United Nations Principles of Responsible Investment (www.unpri.org) and shown in Table 1. Each principle has a number of specific actions that can be used by companies to guide reporting on CSR. This effort started in 2005 and, along with the Global Reporting Initiative, has formed the basis for much goal setting and data analysis since then.

Table 1. United Nations principles of responsible investment (PRI).

Variable	
Principle 1	We will incorporate ESG issues into investment analysis and decision-making processes.
Principle 2	We will be active owners and incorporate ESG issues into our ownership policies and practices.
Principle 3	We will seek appropriate disclosure on ESG issues by the entities in which we invest.
Principle 4	We will promote acceptance and implementation of the principles within the investment industry.
Principle 5	We will work together to enhance our effectiveness in implementing the principles.
Principle 6	We will each report on our activities and progress toward implementing the principles.

In the KPMG 2016 *Carrots and Sticks* report (KPMG, 2016), around 400 sustainability reporting instruments in 64 countries were identified, compared with 180 instruments in 44 countries identified in their previous report (KPMG, 2013). However, the percentage of mandatory instruments declined from 72% to 65% over this time. This trend is not good news for those who think companies are capable of self-regulation, voluntary standards are enough, and the role of government should be minimized. This requires further examination of the effectiveness of different types of control in ICG, including more effective means of external monitoring and mandatory enforcement. Data for analyzing CSR in MNCs are available. Admittedly, these data sources are not infallible. Considerable work is needed to harmonize data collected in different companies and different industries. The reliability of self-reported (by companies) data or consultant-generated data can be questioned. Reporting systems are evolving, so longitudinal studies must deal with changing measures and reporting standards. Yet, ignoring the availability of so much data on important issues such as climate change, diversity, inclusion, and equity, is an unnecessary limitation in ICG and, more generally, in IB.

Legitimacy is a topic familiar to IB researchers, yet the basis for legitimacy—norms and ethical standards—appears only infrequently in IB literature. Inclusion of CSR as a “fourth stream” enables researchers to bring more normative and ethical problems into the ICG literature. One façade of management research and social science research, in general, is that it is a purely rational and positivist endeavor. However, there is a growing awareness of and sensitivity to moral and ethical issues in IB

and ICG. Areas such as diversity, equity, inclusion, human rights, poverty, vulnerability to pandemics, and sustainability all evoke deep moral and ethical concerns. However, since traditional physical social science has its basis in objective, rational, positivistic philosophical roots, and since the social sciences have generally followed this path as well, there has been a tendency to overlook normative and ethical topics. Kuhn's *The Structure of Scientific Revolutions* (1962) suggested a shift in the way scientific progress is viewed, including acknowledging that subjective attitudes can have a great influence on the formulation and investigation of problems in science. Established paradigms, even if erroneous, retain acceptance long after challenging and sometimes correct new ideas are brought forward. Attitudes and bias may be even more determinative and limiting in the social sciences than in the physical sciences.

While the positivist perspective has a long history in modern intellectual philosophy and has undeniable value, there are at least two other points of view. One other perspective asserts that all research is to some degree subjective (Astley, 1984). From this perspective, management research, including IB, ICG, and TMT research, is based on the values and interests of researchers, and the influence of external agents such as research panels, funding organizations, and gatekeepers of journals and conferences, as well as existing research traditions and cultural norms. A third perspective sees the two positions as complementary, accepting both the affirmation and the critique as containing elements of validity (Letherby et al., 2012). The positivist perspective aims at providing answers to research questions that the audience can accept as something approaching confidence that a true relationship or causality exists, even if the relationship or causality may be reformulated based on retesting or acquiring further information. Perhaps this combined perspective might be useful for CSR studies since this orientation admits the limitations of theory and practice while still aiming to provide the best possible answers—or at least reasonable answers—to fundamental questions of business in society given the current state of knowledge, resources, and normative expectations.

The reviews of the literature cited above indicate that ICG and IB research have not entirely avoided perspectives that admit the legitimacy of moral or ethical issues, but there has been a relatively small emphasis on these issues. CSR is one way to admit the normative, even the ethical, elements of a culture, an organization, or a TMT team to the discussion of ICG. Corruption is one example of a topic rooted in moral and ethical concerns as well as pragmatic concerns for company performance and economic development, and this is a topic in which we find several IB studies (Paul and Parra, 2021). Another topic that is emerging combines the practical and theoretical approaches to CSR, namely the role and effectiveness of the Chief Sustainability Officer (CSO) in the TMT (Ali and Konrad, 2017; Christensen et al., 2014; Elkington, 2006). Empirical research has begun to develop about the impact of formally establishing this position in the TMT (Fu et al., 2020). Issues such as green finance, human rights, diversity, equity, inclusion, sustainability, and other GCs have a deeply moral or ethical dimension that is a legitimate area of concern within ICG.

“Grand challenges” (GCs), deriving from early work by the mathematician Hilbert (1900), have become a focus for philanthropic organizations like the Gates Foundation (<https://grandchallenges.org/about>), a national initiative in Canada (Grand Challenges Canada, 2011), a guide for curriculum and project development in the United States (US Office of Science and Technology Policy, 2014), and a global focus in many different areas. Numerous sectors, including professional associations, universities, and companies, as well as philanthropic organizations

(Brammer et al., 2019; Buckley et al., 2017; Ferraro et al., 2015), have espoused this approach, emphasizing global and cooperative approaches to solving important problems. Within management and IB scholarships, GCs suggest a new and relevant way of framing research and, in particular, the identification of important problems (Buckley et al., 2017; Eisenhardt et al., 2016).

GCs are areas of vital importance for both moral and pragmatic reasons. They are so large and so complex that multi-level, multi-sector contributions are required if “solutions” are to be achieved. Examples clearly included would be the climate crisis and Covid-19. GCs particular to a defined field have been identified within professions such as engineering (Mote et al., 2016), social work (Fong et al., 2017), education (Singer-Freeman and Robinson, 2020), and many other fields, even including weed management (Chauhan, 2020). An even more complex approach involves wicked problems (WPs). The idea of WPs was proposed as not having a definitive formulation or solution. Those who proposed this idea said, “Solutions to wicked problems are not true-and-false, but good-or-bad. There is no immediate and no ultimate test of a solution to a wicked problem. Every solution to a wicked problem is a “one-shot” operation” because there is no opportunity to learn by trial-and-error—every attempt counts significantly (Rittel and Webber, 1973).

Other characteristics of wicked problems are that they do not have an enumerable (or an exhaustively describable) set of potential solutions, nor is there a well-described set of permissible operations that may be incorporated into the plan. Each wicked problem is unique. Every wicked problem can be considered to be a symptom of another problem. There are many possible explanations and lines of causality. The goal of the researcher or practitioner is not necessarily to find the truth but to improve some characteristics of the world where people live (Rittel and Webber, 1973). This type of analysis is far removed from conventional academic study, and hence this type of study is not likely to be rewarded in the typical academic setting.

This approach has attracted some attention from scholars and professionals in a variety of fields in recent decades (Dentoni et al., 2018), although much less than GCs. WPs are complex problems for which there are no central or legitimate authorities, complicated by information ambiguity and often a sense of impending physical, economic, or moral catastrophe. Indeed, it may be that WPs elude conventional research: Wicked problems cannot be solved, they actually resist definition. For these problems, there are no single or simple solutions available. Wicked problems need to be channeled through multi-stakeholder processes or partnerships. No single actor can solve the issue. The best one can do is to define more or less adequate pathways to address the wicked problem” (Partnerships Resource Center, 2016).

The term “super wicked problems” has even been put forth to suggest that these issues may lead to calamitous results for societies, for humans, or even for the planet Earth, if solutions are not found (Dentoni et al., 2018). Most IB or ICG research is oriented toward defining a particular constellation of variables associated with the performance of a TMT team, an organization, or even an economy. But what if the performance is associated with outcomes that are morally or ethically suspect, or have external effects that are deleterious to either society as a whole, particular elements, or the environment? For example, performance in growing cacao for producing chocolate, mining for diamonds, or drilling for oil would certainly be legitimate topics for study in IB and ICG, but in each case, failure to consider the human and environmental costs makes any study based on performance of limited relevance from an ethical perspective. However, using the established theoretical and research framework of CSR to

link to the ideas of grand challenges or even wicked problems enables these topics to be placed within a moral or ethical framework still relevant to the IB or ICG perspective.

The review by Aguilera et al. (2019) proposes a Venn diagram with three streams of ICG research. These include (1) corporate governance of the MNC, (2) MNC governance, and (3) comparative corporate governance of the MNC. The review asserted, “Interestingly, these three streams of research have had limited engagement with each other to date” (Aguilera, et al., 2019). Consequently, several research opportunities are suggested in the overlap areas between the three streams. For example, one could look at research problems falling at the intersection of corporate governance of the MNC and comparative corporate governance of the MNC, or the intersection of corporate governance of the MNC and MNC governance, or the other intersections for a total of four areas (given three streams overlapping each with the other and the intersection of all three).

However meritorious these areas might be to pursue with further research, it still might be the case that important topics such as those delineated by George et al. (2016) would be neglected. Given the impact of MNCs and ICG on climate change, poverty, human rights, green finance, demographic challenges of aging populations, and other GCs, and even the impact of MNCs and ICG on specialized areas such as weed management, this would seem to be a significant area of concern. To be relevant, ICG needs to find a place for research on the great economic and moral GCs of contemporary society and even on the “wicked problems” for which solutions seem elusive. Acknowledgment of a “fourth stream” is needed. If the CSR of MNCs were acknowledged as a fourth stream, the representation would look like Figure 1.

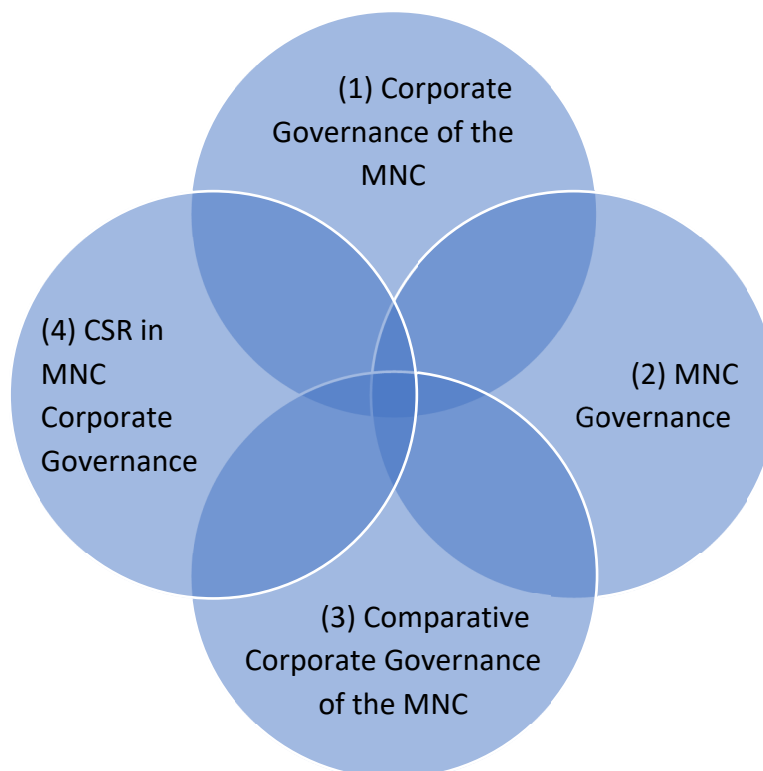


Figure 1. International corporate governance—four research streams.

In their definition of three streams, Aguilera et al. (2019) presented an exhaustive overview based on their review of the IB literature in 14 leading journals, including a total of 106 articles, of which 16 were referenced. Several studies referenced above identified relatively little emphasis on CSR in the IB literature; however, interest has grown in recent years. Zhao et al. (2018) identified 271 articles published in the top 12 IB journals from 1996 to 2015. An even more exhaustive study was provided by Lin et al. (2019) who used bibliographic coupling analysis and social network analysis to study CSR research in 15 journals, including over 14,000 articles. However, their work did not specifically focus on CSR in IB. While a similarly exhaustive search of many journals for CSR in ICG or MNC would be informative, this argument for a “fourth stream” could begin by looking only at the leading IB journal, the *Journal of International Business Studies (JIBS)*, and at articles that specifically mention corporate social responsibility, CSR, social responsibility, corporate social performance, or corporate citizenship in the title. These can provide a starting point for identifying the content of the proposed “fourth stream”. They are intended not as an index or delineation of significant papers on CSR in MNCs but rather as illustrative of the topics that could fit into the “fourth stream”. Many other articles, and many other journals, should be considered for a more comprehensive list. In particular, the journals analyzed by Lin et al. (2019) provide a good starting point for a more inclusive study of CSR in MNCs.

5. Results and discussion

The first limitation regards the legitimacy of the ethical or moral dimension implicit in much of the CSR tradition. Although ICG has many ethical and moral implications, they have seldom been discussed very deeply in this research tradition, except perhaps in terms of culture. Bringing ethical topics such as green finance, diversity, or human rights into the research stream may strike some traditional scholars oriented toward the positivist approach as inappropriate. However, the significance of the environmental dimension seems to have attained institutional legitimacy within ICG and IB. Corruption has achieved sufficient recognition to be regarded as a legitimate topic.

A second limitation is the nature of the data sources in CSR. If CSR were to be acknowledged as a fourth stream of research on ICG in MNCs, the measures for CSR and sustainability would have to be accepted as legitimate, though imperfect, instruments of analysis. Gatekeepers to the field, such as journal and conference reviewers, may be reluctant to accept these new data sources. Even if they are accepted, they cover only a limited number of companies, and the reliability of the data is suspect due to the lack of external auditing in most cases and the lack of standardized measures or criteria. In most countries that have government requirements on this type of reporting, only the largest companies, and only those that are publicly listed, are mandated. In Europe and other countries, companies are allowed to pick and choose many of the measures, which can lead to distorted results in the data they report.

A third limitation is the appeal, or lack thereof, of GCs and wicked problems. Even though the GC framework attracted a great deal of interest in many professional fields, and in many countries, it has served mainly as a framework to articulate aspirational goals. The massive philanthropic efforts of some organizations, e.g., the Gates Foundation, have used this framework to identify important project areas, but important economic sectors such as financial institutions have not shown much willingness

to devote resources to externally or internally defined GCs. Precisely because these problems are so large and solutions so elusive, they may seem unsuitable for ordinary academic studies.

6. Implications for practitioners

The implications for practitioners are significant but variable, depending largely on government policy and capacity and also on the emerging role of social media and communication networks to influence business and government. If CSR is not integrated both theoretically and practically in thinking about ICG, many areas of vital concern may be neglected. This becomes most apparent when a crisis such as a global pandemic or a great recession occurs. The climate crisis is bringing more frequent and more extreme natural disasters. Public concern about human trafficking, gang violence, labor exploitation, and many other issues that used to be outside the realm of business concerns are now given high visibility through digital media. The capacity of business to control and contain publicity about companies almost rises to the level of a WP. Any facility anywhere can become the subject of a global meme at any time. Causality is complex, there may be no right or wrong solution, and the only feasible approach is to hope that existing culture and control systems are adequate to move forward with the issue. It is beyond the capacity of any business to fully anticipate and develop a response for all possible CSR issues. Mandatory CSR standards may be called for in ICG, and these may or may not be adequate. Furthermore, investment in CSR carries risk. Productivity may be lessened, profits may be affected, competitors may benefit from lower standards, and there is still the possibility that the anticipated “solution” to a CSR problem may not work or might even do harm.

7. Opportunities for further research

The various literature reviews cited above indicate growing interest in CSR, TMT, and stakeholder relations in IGC. However, much of the relevant, even foundational theory and research in these fields comes from IB and even from the parallel field of business and society. A more thorough examination of the literature in these associated fields could enable theory and research in IGC to pose problems and develop studies with a broader, more comprehensive perspective than we often see. The world economy is changing rapidly, and inclusion of many otherwise understudied countries and geographic regions becomes more necessary every day. This is especially true when grand challenges and wicked problems like sustainability are recognized as essential issues for the viability of the planet and the future of humanity.

Use of AI tools declaration

The author declares they have not used Artificial Intelligence (AI) tools in the creation of this article.

Conflict of interest

The author declares that there are no conflicts of interest in this paper.

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