

# Intel's social responsibility



**ASSIGN  
BUSTER**

Social Responsibility in Intel International Business 1. Problem Definition Intel is a worldwide famous company, which was founded in 1968 by Gordon Moore and Bob Noyce. From the earliest period constant leader and driving force of the company was Andrew Grove with demanding confrontational management style. This strict management has led Intel to the global corporation with branches in more than 40 countries and staff of 83 500 employees in 2008. Annual Total Revenue has reached \$35 127 billion in 2009; the share of International Business (outside of US) in this year has reached 82%.

Globalization, rapidly changing markets, economic recession and slow recovery, new forms of global enterprises such as " postmultinational global corporations", increasing of Intel International Business influence Intel to correct its Corporate Social Responsibility Management in cross-cultural and international contexts. 2. Justification for Problem Definition Corporate Social Responsibility is " the set of obligations an organization undertakes to protect and enhance the society in which it functions" (p. 25 of International Business. Ricky W. Griffin, Michael W. Pustay, 2007, 5th ed). The main areas of social responsibility application are: stakeholders (concentration on customers, employees and investors), natural environment, and general social welfare (making contributions to charities, philanthropic organizations, non-profit associations; supporting social-cultural organizations and improving health and education).

According to the Intel Corporate Responsibility Report of 2008, Intel main objectives in key corporate responsibility areas are: 1) Environment - to focus on reducing water consumption and identifying new ways to reduce

the generation of chemical waste; 2) Workplace - to work toward achieving workforce parity; 3) Supply Chain - to continue to advance the integration of Electronic Industry Citizenship Coalition tools into Intel processes and encourage environmental responsibility among suppliers and improve their diversity; 4) Community - to maintain at least of employee volunteerism rate; 5) Education - to focus on the Intel Teach Program (training more than million teachers annually) and the Intel Higher Education Program.

Environmental area.

Intel has the democratic form of the corporate culture. Intel makes partnership with schools, universities in order to develop and attract top graduates into Intel's programs and to hire the best ones. Intel invests much in employees training program. It's a company of teams with common goals. Intel is a company with high level of diversity (in corporation work employees from more than 40 nations, sexual minorities, different beliefs etc). Intel supports employee group to provide networking integration, development through their group activities (groups are: Africa-Americans, Asians, employees from India, Christians, gay, lesbian, women and so on).

Intel organizes courses for middle level managers: " Managing in a diverse work environment", " Working with differences, practicing respect and trust. " But we know another side of Intel corporate social responsibility, concerning stakeholders' area: 1) Religious controversy. Ultra-orthodox Jews have protested Intel operating in Israel on Saturday, the Sabbath. 2) Middle-age employees' discrimination. A group of former and current Intel employees create FACE Intel claims that more than 90% of people who have been terminated are over the age of 40 years old. They create their own site

<https://assignbuster.com/intels-social-responsibility/>

www. faceintel. com with notes of terminations, examples of former employees' suicide, lawsuits, and claims. 3) Discrimination and Harassment based on Race/ Ancestry.

Due to the Intel's Rating and Ranking System, when employees evaluate performances of each other, at disposal of unethical managers often victimizes employees of race and ethnicity groups. 3 List Alternative Courses of Action 1 . Continue to work toward Intel's environmental programs on reducing water consumption and chemical waste. 2. Change its evaluation system from the evaluating between employees to the methods of evaluating electronically or from the Job they perform (00b results). 3. Improve retention and development programs for managers with 5 years experience and above in order to retain and promote professionals and make them more loyal to the company. 4. Reduce the amount of worldwide charitable giving. 4.

Evaluating the Alternatives consumption and chemical waste in countries, where Intel is. In my point of view, Alternative #1 is a good way of reducing costs and forming positive image. 2. Change its evaluation system from the evaluating between employees to methods of evaluating electronically or from the Job they perform (00b results) in order to avoid some factors of discrimination and harassment. The advantages are: decreasing of stresses; exception of subjectivity, especially, unethical managers; supporting of positive corporate climate in all branches of the corporation; improving of team work according to the fact that Intel hires talented ambitious young people, high competition between employees is a normal situation.

One of the company's goals is to create and support teams inside competitive atmosphere). Further more, evaluating electronically, using computers is comfortable non-stressful way for employees, whose life is concentrated on computers. Alternative #2 has only one disadvantage - this alternative is versus Intel's corporate culture basis - to support competition between employees and sometimes to create stressful situations. 3. Create retention and development programs for managers with 5 years experience and above in order to retain and promote professionals and make them more loyal to the company. Retention program should include more authority and responsibility to this category.

Alternative #3 can improve relationship between Intel and FACE Intel, which will impact positively on Intel's positioning as social responsible corporation. 4. Reduce the amount of worldwide charitable giving. I am not a supporter of the idea that companies should promote the general welfare of society, especially in a period of economic recession. I suggest that company, which spends money to charitable giving, tries to find gaps in taxation or could increase its products' prices. 5, 6. Conclusions, Recommendations and Evaluation. I recommend set of alternatives #2 and #3, because of the following arguments: First of all, Intel has become global integrated corporation.

The huge share of computer industry businesses (manufacturing, software, internet technologies, finance) was removed and based in Asian countries such as India, China (Taiwan, Hong-Kong), South Korea and so on. Intel's international share of Revenue (outside the United States) in 2009 has increased to 82%. Asian countries have their own cultural features (respect, <https://assignbuster.com/intels-social-responsibility/>

hierarchy), which may conflict with Intel democratic form of corporate culture, especially with Intel's Ranking and Rating System. Therefore, I would like to suggest extending their range of values and correcting performance appraisal system by changing current system to evaluating electronically and analyzing Job results.

Moreover, I would like to recommend creating retention and development programs for experienced managers. Retention program should include more authority and responsibility to this category. Alternative #3 can improve relationship between Intel and FACE Intel, which will impact positively on Intel's positioning as social responsible corporation. Implementing last two alternative's actions (changing evaluation system and creating retention and development plans) can be done by the Intel Corporate Responsibility Management Committee, HR representatives, Diversity Director and IT team for writing evaluation software. I suggest 1-year step-by-step testing of electronic evaluation system in several branches and analyzing results from the each stage.

And I recommend long-term programs of retention and development for motivation of experienced employees. Possibly, these two alternatives, which influence Intel corporate values, can decrease negative factors of employees' discrimination, improve corporate culture, increase level of loyalty in every Intel's branch, and in total, will increase labor productivity and global society attitude. The indicators of changed situation could be improved working atmosphere during performance appraisal period, closing FaceIntel or appearing their some positive articles, increasing share of

experienced employees and women, especially on managers' positions in all countries, where Intel has its own branches.