



Analysis of Huawei Corporation's Ethics and Corporate Social Responsibility

Yingyi Wang^{1,2}

¹ Solbridge International School of Business, Woosong University, Daejeon 34613, Korea

² International School of Business, Beijing Foreign Studies University, Beijing 100089, China

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Abstract: Huawei Corporation has made outstanding contributions to the economy, environment and industry of China. At the same time it inevitably faces some difficulties and challenges. This article will conduct the following related research discussions. a. Huawei's enterprise outlook, staff situation and main operation projects. b. Two challenge cases from 2018 to 2021 and specific analysis of Huawei's corporate social responsibility: the social performance of employees and the protection of their rights and interests, as well as the challenges in the negotiation between Huawei and government agencies. c. The stakeholders' corresponding quadrant and salience diagrams.

Keywords: business ethics, corporate social responsibility, social financial risk, strategic management, employee benefits

1. Background of the company

1.1 General introduction

Huawei is a private communication technology company established in China, which mainly produces and sells communication equipment and is 100% owned by employees. Founded in 1987, the company is headquartered in Guangdong Province, China. Huawei focuses on the field of ICT and is the world's leading information and communication infrastructure and intelligent terminal provider [1]. The company is committed to steady operation, continuous innovation and open cooperation. In the field of telecom operators, enterprises, terminals and cloud computing. At present, Huawei continues to make investment in the field of innovation, promotes innovation and upgrading, and hopes to create more value for the whole industry and the whole society, so as to make more benefits from the convenience brought by intelligent devices.

1.2 Employees

According to the company profile report of 2021, the company has recruited about 197000 employees from all over the world by the end of 2020. According to the person in charge of the company, Huawei's employees come from about 160 countries and regions around the world. What's more, 41 nationalities come from China alone. Huawei hopes and is striving to set and implement diversified goals in terms of nationality, gender, age, race, religious belief.

1.3 Products, services and global reach

At August, 2021, Huawei has become the world's largest telecom network solution provider and the world's second largest telecom base station equipment supplier. The main business of the company is exchange, transmission, wireless and data communication products. Main products are as follows. i. Cloud: mainly produces all kinds of related software products ii. Tube: it mainly produces network connection products iii. Terminal products: including terminal products, mobile phones, computers. As a world-famous and influential enterprise, Huawei successfully occupied nearly half of China's mobile phone market in the first half of 2020. The proportion of 5g mobile phones developed and produced in the same year was also ahead of apple and Samsung in the market share, becoming one of the top three mobile phone brands in global sales volume, and the shipment volume was also fast approaching Samsung. At present, Huawei has become an important manufacturer of computers, tablet watches, TV routers and other fields in the world.

2. CSR challenge identified & analysed & problem analysis

2.1 First challenge case

The first CSR challenge comes when Huawei's high-quality treatment for employees is relatively generous in the industry, but there have been crises in the social performance of employees and the protection of rights and interests. For

example, a former Huawei employee was arrested for 251 days due to a resignation dispute. Former Huawei employee Li Hongyuan was detained and arrested by the Shenzhen Municipal Public Security Bureau of Guangdong Province nine months after receiving resignation compensation in 2018 [2]. Finally, he regained personal freedom not to prosecute. Huawei supplemented the report materials and again accused Li Hongyuan of negotiating with department leaders for resignation compensation, using extortion methods to force the leaders to agree to privately pay an additional compensation of 330,000 yuan in exchange for his refusal to report. In the course of this incident, the public discussed Huawei's practices, and public opinion believed that the company's actions were exploiting the legitimate rights and interests of former employees.

Morally, according to utilitarianism, moral behavior is a consequence in which the greatest benefit to most people [3]. Therefore, if people are to make ethical decisions, they should find out who is helped and who is harmed. With this in mind, this employee actually represents the interests of most people in society as employees of the company. The public's support for Li Hongyuan is even more due to the sharp contrast between Huawei's "big" and the "small" of a single employee who left the company. Worrying that most workers will be bullied by big companies, this instinct is exactly the reaction of utilitarianism in the interests of employees. This case is a microcosm of the company's attitude and handling of employees' legal rights and interests. Many people shudder at Huawei's methods and attitudes. Because of this negative social impact, Huawei is facing a greater dilemma when dealing with employee issues.

2.2 Second challenge case

The second CSR challenge appeared when Huawei was negotiating with government agencies. That is, how to cooperate with the government when there is a conflict between company decisions and laws and regulations. A case is as follows. According to information from the Beijing Court Trial, Huawei's "Hongmeng" trademark application was rejected by the Beijing Intellectual Property Court for retrial. The incident can be traced back to May 2020, when Huawei's application to register the "Hongmeng" trademark was rejected by the State Intellectual Property Office [4]. This was because two companies had already registered trademark information related to "Hongmeng". Huawei filed a lawsuit with the court, requesting the cancellation of the relevant decision of the Intellectual Property Office and ordering it to make a new decision. Huawei's decision not to approve the Property Office is mainly based on the following reasons. First, the trademarks of these two companies will be revoked due to long-term unused; at the same time, the two companies' trademarks are different from Huawei's "Hongmeng" in terms of constituent elements and overall vision; Second, Huawei's "Hongmeng" is of great significance to society. However, the Beijing Intellectual Property Court held that the above-mentioned claims were not supported by insufficient basis. According to the virtue theory the company's decision is closely related to the image they choose to become. Therefore, if Huawei's decision-makers cannot develop the habit of negotiation and discussion in the process of negotiating with the government, it will be difficult to get their help when encountering regulatory problems. The company's follow-up decision has not yet been released. As a large company, abiding by the law and respecting relevant industry regulations are one of the important ways for Huawei to demonstrate its social responsibility. But this also reflects the chaos of malicious squatting, hoarding and misappropriation of trademarks. Whether Huawei can protect its intangible assets and strike a balance between safeguarding rights and complying with laws and regulations is another big challenge.

3. Stakeholder analysis

Stakeholders in these cases:

Huawei's board of directors and shareholders: They can determine the company's future business direction and personnel retention.

Government department: They are the embodiment of the will of the country. They can change companies and markets by issuing policies.

The employee Li: A single employee is a small part of the enterprise. Although his own behavior plays a limited role in the operation of the entire enterprise, in some cases it may have a huge impact on the enterprise.

The rest of the employees: Same as Li.

Customers: Their suggestions will indirectly change the company's business model and even change the company's personnel arrangements.

Social media: In modern society, social media has become more and more important in the operation of enterprises due to the acceleration of information transmission

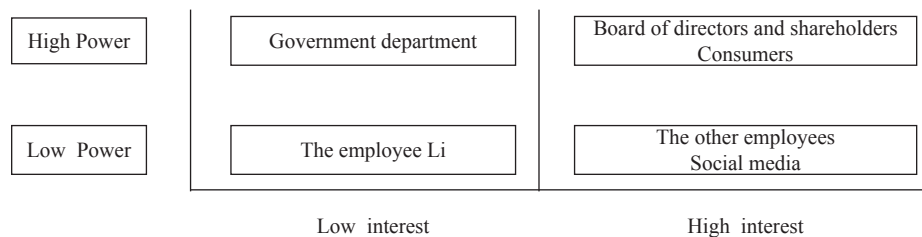


Figure 1. The division of the power-interest matrix

The first is the high-interest and high-power part. It is composed of Huawei's senior management committee, shareholders and customers. Through the trademark incident in case 2, the attitude of customers will also indirectly change Huawei's business strategy. For these stakeholders, it is necessary to meet their requirements as much as possible. The second is the high interest and low power consumption part. It is being formed by the rest of the staff and social media. The employees themselves are part of the company's interests, and the media and the company benefit each other, and neither of these can directly control the company's decision-making. In the first case, media exposure did not have much impact on Huawei's follow-up operation strategy. For these stakeholders, the information that should be notified should be notified, and other information should be kept confidential. The third is the low interest rate and high power part. Mainly government departments. The main interest of government departments is not in the enterprise, but it can intervene in the operation of the enterprise through administrative means. The fourth part is low interest and low power. The employee Li is among them. In the first case, the employee Li is one of the parties. However, he is only a part of the staff, and the benefits and decision-making changes he brings to Huawei are limited. For the stakeholders in this part. Enterprises should do a good job of monitoring without affecting normal operations. But the power interest matrix cannot perfectly divide the stakeholders.

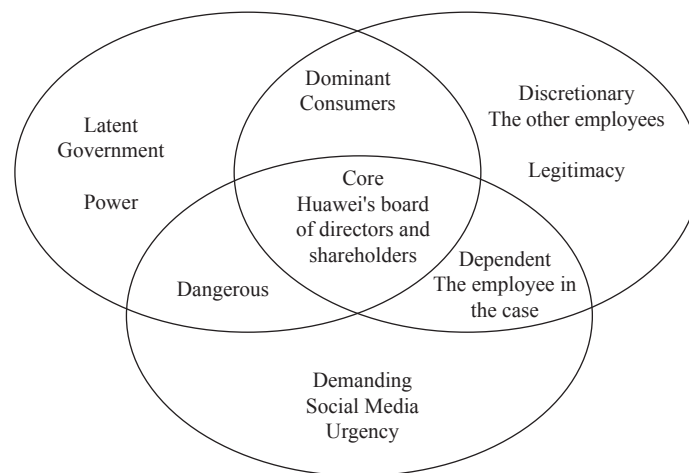


Figure 2. Salience diagram for further division

Huawei's board of directors and shareholders are the core parts of high power, high legitimacy and high urgency. Because their own behavior will affect the future business direction of the entire company. Government departments belong to the potential part of the great power, because they can reject Huawei's trademark application through their own management methods and powers. Their interests have little to do with Huawei and lack of urgency. Consumers can indirectly control the company's decision-making by making demands, showing high power. But Huawei is not the only telecommunications company. Consumers can choose other companies to purchase products and services, so the urgency is not high. Finally, there is social media. They have a high degree of urgency, because they need Huawei's corporate news to make money. However, they do not have high legitimacy within Huawei, nor do they have the right to determine Huawei's operational strategy, so they do not have strong power and legitimacy.

The objects to be dealt with in different time periods and explanations are shown in Timeline analysis:

1-6 weeks: The employee Li, government department, Huawei's board of directors and shareholders. (During this period of time, Huawei needs to deal with these incidents.)

3-6 months: Social media, the rest of the employees, Huawei's board of directors and shareholders. (During this time,

the media reported the incident. Huawei needs to explain to employees to calm the incident. Huawei shareholders and the board of directors are responsible for handling these matters.)

6–12 months: Consumers, the rest of the employee, Huawei's board of directors and shareholders.(During this period, Huawei needs to resume normal operations and need to arrange the work of the remaining employees. Huawei also needs to contact customers. Huawei's board of directors and shareholders also need to keep in touch.)

1-2 years: Consumers, Huawei's board of directors and shareholders, government departments.(During this time, Huawei has been operating normally for a while, ontacting customers is still part of daily operations. The government should also be contacted to resolve the trademark incident during this period.)

3-4 years: Consumers, Huawei's board of directors and shareholders.(At this time, Huawei has maintained normal operations for a long time. The company needs to contact customers in daily operations and keep in touch with the board of directors.)

4. Ways to move forward for the company

4.1 Employee right and benefit

Huawei guarantees fair employment and development rights of all kinds of employees. Provide legal training courses related to the job, so that employees can work more freely. The most important thing is to provide more job opportunities for women and a platform for communication in study and work. Encourage female employees to tap their potential and realize their value. Secondly, it pays attention to staff capacity building. Huawei should provide employees with all-round training, including professional knowledge and career planning, in this way, employees can grow and develop with the enterprise and professional ability development programs are provided for employees to improve their level. The company should purchase personal accident, serious diseases commercial insurance, on the basis of ensuring the stable work of employees to protect their property and life safety.

4.2 Huawei's dual responsibility

In the problems analysis above, Huawei may have violated government regulations, laws and industry regulations in its negotiations with the government without the support and help of the government. Among the social responsibilities that enterprises abide by, abiding by laws and regulations is the most basic and important social responsibility. First of all, Huawei should undertake and fulfill its economic responsibilities, on the basis of their own economic development, who will provide help to drive the development of social economy. The most importantly, ensure the legitimate rights and interests of stakeholders . Secondly, Huawei should set an example in complying with laws and regulations. In particular, when dealing with important stakeholders, it should comply with laws and regulations and complete all contractual obligations, so as to drive employees and all communities of the company to comply with laws and regulations and build a law- based society together. In addition to the improvement measures and solutions of the above two CSR challenges, there are some development suggestions that can help Huawei to achieve better development in the future.

4.3 Open cooperation and market segment

In terms of product research, Huawei should strengthen cooperation with other enterprises and even other countries. Huawei can increase investment in research funds, open up new cooperation modes centering on innovation, and build strategic cooperation relations with the industrial chain to achieve win-win development. The corporation needs to segment the market when developing its products. Although smart phones have gradually become the center of people's mobile Internet life, they still cannot totally replace tablet computers.

5. Conclusion

From the above analysis, it can be seen that Huawei's operations have been hindered due to employee disputes and trademark disputes. Therefore, this company needs to pay more attention to the treatment of employees and effectively protect the legitimate rights and interests of every employee. Only in this way can the enterprise run better. At the same time, Huawei should also actively communicate with the government and maintain contact with the government, so as to avoid the occurrence of similar incidents such as the trademark incident.

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