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Executive Summary

The Shareholder Value paradigm is no longer adequate for today's MNC's to make decisions during this current time of turmoil in global markets. The author of this report believe that International Human Resource Management (IHRM) must be re-oriented around a Stakeholder philosophy — and that means finding ways to balance and reconcile the three legs of the Triple Bottom Line (People, Planet, Profit) while making difficult choices between/for Employees, Customers, Suppliers, Communities and the Environment. Using two key theoretical constructs: Stakeholder Theory (Freeman, 1984) and the Triple Bottom Line (Elkington, 1997 & 2018) as its foundational frameworks, this study will explore the tension caused by the increasing use of digital technologies (e.g. harmful content moderation, monetizing personal health data); how macro-economic shocks are transmitted through Supply Chain and Demographics; and Talent Systems which create value for all stakeholders. Patagonia will serve as the anchor case for a purpose-driven model; sector-specific comparisons will be made using Technology (Meta) and Pharmaceuticals (Privacy and Access to Medicines) as comparative cases (Access to Medicine Foundation, 2024). The report will position IHRM as a "Stakeholder Sensor" and institutional conscience which develops policy, metrics and governance systems which both protect People and the Planet while creating sustainable profits. The report also includes a reflection on how an MBA Student can develop the skills of Stakeholder Empathy and Evidence-Based Judgment for practice.

Stakeholder-Centric IHRM: Balancing Profit with Purpose

Table of Content

Executive Summary.....	2
1. Introduction.....	3
2. Main Body.....	5
2.1 Technology and the Expanding Circle of Stakeholders.....	5
2.1.1 Content moderation and psychological harm.....	5
2.1.2 Digital health, privacy and trust.....	5
2.1.3 Patagonia as a stakeholder anchor.....	6
2.1.4 Implications for IHRM and scholarly deepening.....	6
2.2 Macro-Factors and Their Stakeholder Impact.....	7
2.2.1 Demographic Shifts and Employee Stakeholders.....	7
2.2.2 Migration, Labour Markets and Ethical Hospitality.....	7
2.2.3 Geopolitical Volatility and Supply-Chain Stakeholders.....	8
2.2.4 Technology, Global Outsourcing and Duty of Care.....	8
2.2.5 Scholarly Deepening.....	8
2.3 A Stakeholder-Centric Approach to Talent Management.....	9
2.4 Reflective Report: Developing My Stakeholder Empathy.....	11
3. Conclusion.....	14
References.....	15

1. Introduction

Business Practice is transitioning from a shareholder-value centered focus to a Stakeholder Orientation where Social, Environmental and Financial Outcomes are mutually dependent. Stakeholder Theory (Freeman, 1984) shifts strategy to account for those who can impact or have been impacted by the organization, whereas the Triple Bottom Line (Elkington, 1997 & 2018) extends Value Creation beyond profit to include People and the Planet. In addition to providing an example of how stakeholder-centricity can be embedded in a MNC through Policy, Metrics and Governance, this report argues that IHRM is the critical functional area for realizing a stakeholder philosophy in MNCs. The authors will illustrate the operationalization of Purpose with Accountability through Patagonia and through examples of Technology and Pharmaceuticals.

2. Main Body

2.1 Technology and the Expanding Circle of Stakeholders

2.1.1 Content moderation and psychological harm

Digital platforms widen stakeholders and tensions for HR. Content Moderators protect their customers, but they also suffer psychologically due to repeated exposure to violent content. As part of its U.S. Settlement with the Meta, Inc. acknowledged that moderators suffered traumatic effects, and as such, provided counseling and monetary compensation (Newton, 2020) . However, African litigation in Kenya is challenging the firm's responsibility to provide for the welfare of employees, specifically regarding employee duties of care (Kenya Gazette, 2007; Newton, 2020). Studies reveal evidence of secondary trauma in content moderators and advocate for the establishment of institutionalized psychological support, and for limits on workloads (Spence, et al., 2024; Spence & DeMarco, 2025) . Stakeholder centered IHRM should classify psychological harm as an occupational hazard, not a personal weakness (Roberts, 2019).

2.1.2 Digital health, privacy and trust

The Pharmaceutical and Digital Health Ecosystems present yet another conflict of interest: the patient's right to privacy and trust versus the company's need to use the collected data for profit. U.S. regulators have imposed fines and refund obligations upon several platforms for sharing patients' private health information for purposes of advertising, including GoodRx and Better Help (Federal Trade Commission, 2023; Federal Trade Commission, 2024). The enforcement actions set a precedent for "Privacy by Design" and transparency in the governance of digital health data. A stakeholder lens requires HR departments to establish capabilities - including privacy engineers, health data stewards, ethics training and whistleblower protections - to enable employees to identify and report the misuse of patient data (Greenwood, 2013).

2.1.3 Patagonia as a stakeholder anchor

Patagonia demonstrates how technology, governance, and ownership can be used for people and the environment. Patagonia's corporate ownership was transferred to the Patagonia Purpose Trust and the Holdfast Collective, which will allow profit generated from business activities above what the business reinvests, to fund environmental causes. In addition, Patagonia's HR policies actively support civic and climate activism, through provisions of paid time off, bail support and on-site child care (Patagonia Works, 2019, 2022, 2024; Fair Labor Association, 2024; Fair Trade USA, 2025). The implications of Patagonia's commitment to stakeholders demonstrate a level of credibility, and redefine profit as a means to achieve goals, not an end unto itself.

2.1.4 Implications for IHRM and scholarly deepening

There are three implications for IHRM related to the stakeholder balancing of digital platforms. First, develop policies that establish and codify stakeholder balancing principles into law or regulation - e.g. moderator well-being standards, maximum exposure windows for content moderators, and privacy by design regulations based upon regulatory precedence (Federal Trade Commission, 2023; Federal Trade Commission, 2024). Second, measure the performance of the organization using stakeholder-based outcomes in conjunction with financial outcomes — i.e. psychological safety and trust (CIPD, 2024); grievance resolution time and supplier workplace conditions — and incorporate these measures into the performance evaluation of the organization's leadership team. Finally, enhance governance mechanisms through ethics committees, independent ombudsman positions, and clearly defined avenues for escalation (Elkington, 1994). Elkington's subsequent critique of TBL warned against "greenwashing" and advocates for actual system-wide change (Elkington, 2018).

2.2 Macro-Factors and Their Stakeholder Impact

2.2.1 Demographic Shifts and Employee Stakeholders

To provide an effective structure for incorporating demographic shifts into stakeholder-driven international human resources management (IHRM) — and thereby to provide a means of making decisions based upon people- and planet-focused objectives — it will be essential to integrate demographic trends as structured inputs for decision-making. In high-income economies, aging populations are changing what younger and older employees expect in terms of flexibility in their retirement, eldercare benefits and adaptive job designs. The increased demand for care-sector labor associated with aging demographics has simultaneously created a new demand for labor in these sectors. As CIPD (2024) noted, research in the health care industry demonstrates that psychological safety is correlated to error-reporting, service quality and workforce retention. Therefore, in order to address the needs of IHRM, it will be necessary to develop safety climates that are embedded in workforce planning.

2.2.2 Migration, Labour Markets and Ethical Hospitality

The transformation of migration dynamics creates complexities for hospitality and services sectors that experience fluctuating demand interacting with ambiguous immigration policies. An IHRM approach based on the perspective of stakeholders recognizes seasonal and migrant workers as important contributors to these industries and not marginal labor. Establishing predictable scheduling, providing portable benefits and creating equitable recruitment processes will help to reduce the risk of worker exploitation and debt bondage, and stabilize service quality and protect a company's reputation and brand integrity. Therefore, by addressing the needs of stakeholders — including workers, customers and investors — companies can link their ethical responsibilities with their operational resilience. This type of IHRM approach is consistent with Freeman (1984) **Stakeholder Theory** and Greenwood (2013) **ethical HRM analysis**, which emphasize the importance of relating the dignity of individuals to the relational responsibility of employment systems.

2.2.3 Geopolitical Volatility and Supply-Chain Stakeholders

Changes in geopolitics create additional layers of stakeholder tension across global supply chains. The expansion of Patagonia's use of Fair Trade certification and its commitment to paying a living wage demonstrate a strategic transition from transactional sourcing to community stewardship. By obtaining independent accreditation through the Fair Labor Association (2024) and Fair Trade USA (2025), Patagonia has enhanced the legitimacy and transparency of its social responsibility initiatives. Like Patagonia, companies can utilize similar frameworks — such as the B Corp — and sector-based indices (e.g., Access to Medicine Index (Access to Medicine Foundation, 2024)) as benchmarking tools for engaging in ethical dialogue and collaborative remediation with stakeholders. Companies should avoid punitive actions against vulnerable workers when exiting a partnership.

2.2.4 Technology, Global Outsourcing and Duty of Care

Within technology, issues related to content moderation and data outsourcing create significant stakeholder-related concerns. Lawsuits filed in Kenya and several other African nations have contested Meta's outsourcing practices as infringing on local labor and human rights standards (Newton, 2020; Roberts, 2019). For IHRM, this highlights the need to develop stronger cross-border duty of care, to standardize minimum well-being standards and to establish localized escalation mechanisms regardless of whether a company employs workers directly or utilizes third-party vendors.

2.2.5 Scholarly Deepening

By expanding our knowledge of how stakeholders negotiate the value-creation process, how they appropriate value and how they distribute value, Bacq and Aguilera's (2022) **stakeholder governance theory** provides insight into how macro-level shocks (i.e., demographic transformations, geopolitical disruptions) necessitate rebalancing whose interests are prioritized to achieve ethically and sustainably distributing value throughout the global employment system.

2.3 A Stakeholder-Centric Approach to Talent Management

Talent development by way of the triple bottom line (TBL) means rethinking HR's mission: develop systems that benefit individuals, minimize carbon emissions from operations and supply chains where feasible, and provide competitive returns. The "Build-Buy-Borrow-Bind" model of developing a talent pool is an accepted solution to many skill shortages. However, a stakeholder-centered strategy of talent development requires an integrated approach to the TBL. This chapter will evaluate talent development through the three pillars of the TBL: People (attraction and retention), Planet (talent development), and Profit (productivity and innovation). These represent the ultimate goal of responsible talent acquisition, development, and management.

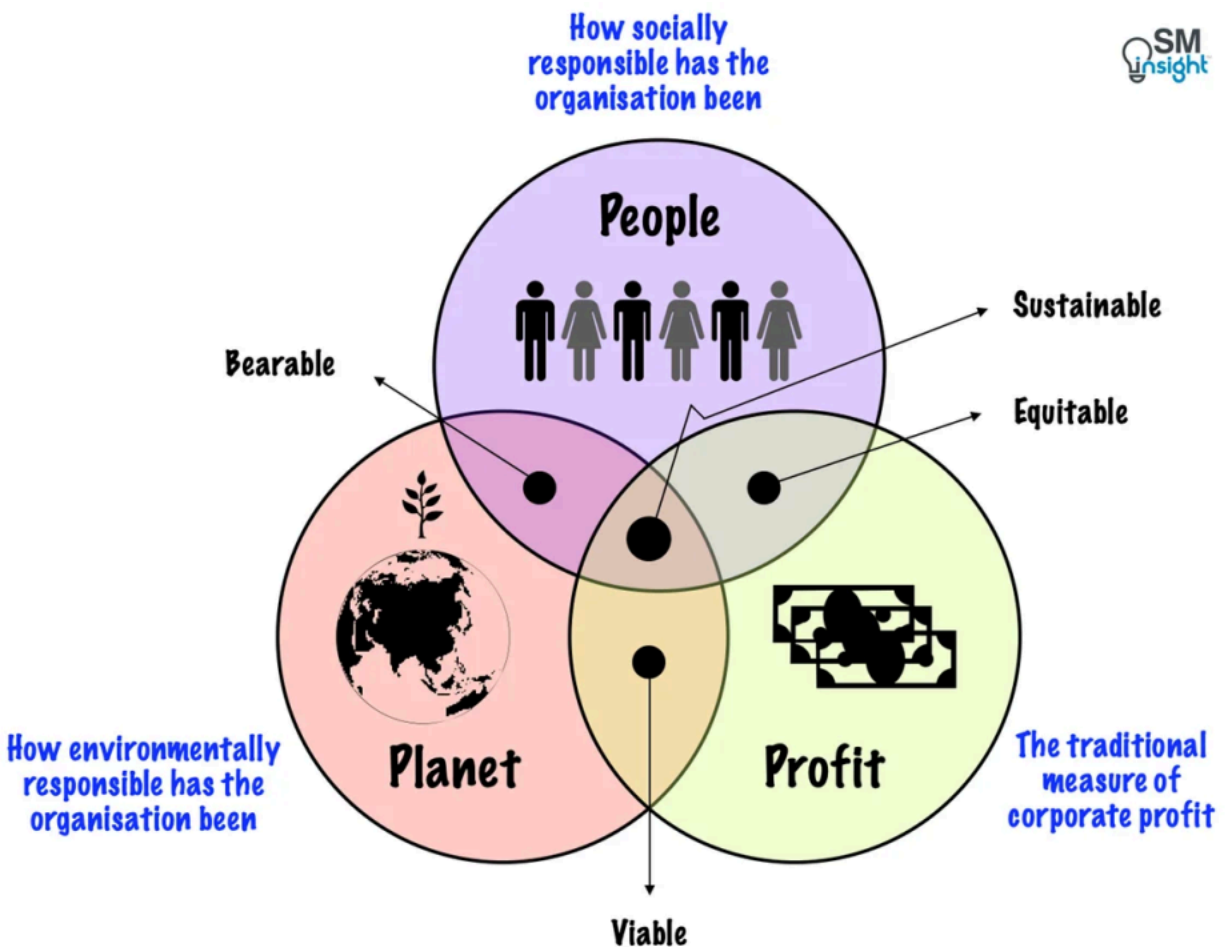


Image 1: Triple bottom line theory (Source: Etu, 2024)

People (recruitment and retention). Patagonia demonstrates how purpose fidelity can attract values-aligned talent and sustain engagement—through activism support, living-wage commitments and verified labor standards in supply chains (Patagonia Works, 2019, 2022, 2024; Fair Trade USA, 2025; Fair Labor Association, 2024). Studies have also shown that employees' perceptions of their organization's corporate responsibilities are significantly related to their level of identification, engagement and commitment. Furthermore, research has found that these positive attitudinal outcomes result in increased productivity and retention (Edmans, 2011; CIPD, 2024). Long-term studies have also demonstrated a correlation between employees' high levels of satisfaction and higher risk-adjusted stock returns; therefore, investments in employees can enhance organizational performance rather than detract from it.

Planet (skills and development). HR can create programs to assist in the rapid development of environmentally-focused skills (i.e. lifecycle thinking for designers, human rights and modern slavery due diligence for buyers, and privacy by design for engineers working with sensitive health information). Regulatory signals in digital health — such as FTC enforcement actions against GoodRX and Better Help for selling customers' health information to third parties — demonstrate that organizations without similar skills may incur additional risk (Federal Trade Commission, 2023; Federal Trade Commission, 2024). Therefore, IHRM should develop and fund training pathways and external certifications that link to job architecture, promotions and compensation so that environmental and social literacy is viewed as a core competency, not an elective.

Profit (productivity and innovation). A stakeholder-centric culture supports psychological safety and ethical voice — factors that are positively associated with learning, error reduction and innovation (CIPD, 2024). Research has identified that psychological safety is related to speaking up behaviors, lower burnout rates and better team performance (CIPD, 2024). Additionally, long-term financial research has demonstrated that organizations with strong employee experience and responsibility records outperform their peers (Edmans, 2011). Therefore, IHRM must incorporate safety and trust indicators into people analytics and align executive bonuses with multi-stakeholder outcomes, not solely with earnings.

Governance and disclosure. The implementation of new regulatory reporting requirements (e.g., GRI 2021 Universal Standards; EU CSRD / ESRS) will require organizations to report robust workforce metrics and conduct double-materiality assessments of the impact of the organization's activities on both society and the environment as well as on the organization's financial position (Global Reporting Initiative, 2021; European Financial Reporting Advisory Group (EFRAG), 2024). The role of HR in supporting the organization's reporting is critical as it relates to the organization's ability to map its workforce (which includes non-employees throughout the value chain), quantify IROs (impacts, risks, and opportunities) for both people and the planet, and ensure the accuracy of data regarding labor practices at suppliers. By formally linking HR practice to the reporting process, HR becomes more than just an ethics-based practice — it is now a required component of the organization's credible reporting process and subsequent access to capital.

Academic expansion of this topic would include Greenwood's ethical HRM agenda, which asserts that HR decisions must be normatively justified, not simply instrumentally effective — a requirement that is particularly important in preventing HR from making compromises against vulnerable stakeholders in the interest of short-term gains (Greenwood, 2013).

2.4 Reflective Report: Developing My Stakeholder Empathy

I am a current MBA student focusing on international business where I have concentrated on developing the ability to make fair and transparent evaluations of claims made by various stakeholders. The ethics case debates helped me develop the ability to consider multiple perspectives - employees, suppliers, local communities, and shareholders - and to ask whose risk is being assumed and who will receive the benefits. In addition, my review of corporate social responsibility reports and corporate responsibility reporting frameworks (GRI and CSRD) have given me a better understanding of how organizations are using TBL (triple bottom line) metrics to measure their sustainability performance and also an awareness of how to conduct materiality assessments and the critical importance of the quality of data collected about

their workforce to provide credible and trustworthy information to investors (Global Reporting Initiative, 2021; EFRAG, 2024). Through working in globally distributed teams, I have developed the ability to create a psychologically safe environment and develop a culture of transparent decision-making, which is consistent with literature demonstrating that inclusive environments lead to higher levels of ethical performance (CIPD, 2024).

The need to work collaboratively via technology enabled platforms across multiple time zones has necessitated the use of explicit tools to map the potential impacts of the organization on its stakeholders through the development of impact-logic models and sensitivity analysis to promote disciplined and evidence-based thinking. In addition, I have studied research related to trauma caused by content moderation and privacy concerns in digital health (Federal Trade Commission, 2024; Roberts, 2019; Spence et al., 2024), which have reinforced my belief that technological innovation presents new obligations of care for HR professionals. I believe that HR professionals should design safeguards and support systems that are proactive - embedding ethics and employee well-being into innovation rather than waiting until after a crisis to add them.

Development plan (next 9–12 months).

Timeframe	Development Goal	Key Actions	Evidence Anchoring References
By end-Q1	Build capability in valuing non-financial outcomes through SROI	• Complete a short course in Social Return on Investment (SROI) • Apply SROI to a pro-bono project (e.g., supplier-training programme) to practise real data collection and stakeholder engagement	SROI methodology for valuing social and environmental outcomes
By end-Q2	Strengthen skills in psychological safety measurement and team facilitation	• Run a structured, evidence-based “psychological safety pulse” in a student consulting team • Use indicators adapted from CIPD’s evidence review • Facilitate a retrospective to convert findings into clearer roles, workload norms and escalation pathways	CIPD evidence on trust and psychological safety (CIPD, 2024)
By end-Q3	Translate complex workforce disclosure standards into usable management tools	• Publish a comparative brief that translates CSRD/GRI workforce disclosures into manager-friendly dashboards • Highlight a double-materiality view of HR risks and opportunities	CSRD and GRI standards on workforce and materiality (Global Reporting Initiative, 2021; EFRAG, 2024)
By end-Q4	Embed privacy-by-design principles into people analytics practice	• Design a “privacy-by-design for people managers” micro-module, in collaboration with legal experts • Emphasise consent, data minimisation and duty-of-care principles in people-analytics projects • Draw explicitly on recent digital-health privacy enforcement cases	FTC enforcement on health-data privacy and consent (Federal Trade Commission, 2023; Federal Trade Commission, 2024)

3. Conclusion

A stakeholder-centric paradigm does not dilute performance; it relocates performance within a broader system of obligations and effects. It is IHRM's competitive advantage to put that model into action: to honor work (people), to reduce harm and support lasting value creation (the planet) and to create the trust, capabilities, and disclosures necessary for sustainable profitability. The example of Patagonia shows how governance, HR policies and third-party audits can provide credibility to stakeholders' commitments (Patagonia Works, 2019, 2022, 2024; Fair Labor Association, 2024). Examples in technology and pharma, however, demonstrate the negative consequences of ignoring human and data harms, such as content-moderator trauma and regulatory actions taken against companies for violations of health-data protections (Federal Trade Commission, 2023; Federal Trade Commission, 2024; Newton, 2020). Macro-level factors, as well, highlight the need for ongoing stakeholder-scanning (Bacq & Aguilera, 2022). Based on Contemporary Evidence, Regulation and anchored in Stakeholder Theory and the Triple Bottom Line, stakeholder-centric IHRM represents both the organizational conscience and the execution vehicle to balance profit and purpose.

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Appendix

Capability Self-Assessment and Development Plan

Area	Current Position	Development Focus	Key Action & Deadline
Valuing non-financial outcomes	Basic familiarity with impact logic and stakeholder mapping	Improve ability to quantify social/environmental value	Complete SROI short course and apply to a pro-bono project by end-Q1
Psychological safety & teamwork	Experience working in diverse project teams	Systematically diagnose and improve team climate	Run a psychological-safety pulse survey and retrospective in a student consulting team by end-Q2 (CIPD, 2024)
ESG workforce disclosure literacy	Working knowledge of CSRD/GRI concepts from coursework	Translate technical standards into simple management tools	Publish a brief with manager-friendly workforce dashboards by end-Q3 (Global Reporting Initiative, 2021; EFRAG, 2024)
Data ethics & privacy in people analytics	Awareness of digital-health and platform privacy risks	Embed privacy-by-design in HR/people-data projects	Design a micro-module for people managers by end-Q4, drawing on FTC enforcement cases (Federal Trade Commission, 2023; Federal Trade Commission, 2024)