

Corporate Social Responsibility Professionals and Institutional Work

An Institutional Perspective on a Developing Profession in Multinational Corporations

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Dissertation Project

1. Introduction

In times of societal loss of confidence in the economic system and limitation of political regulations of government, businesses are increasingly engaged in Corporate Social Responsibility (CSR). According to Matten and Moon (2008: 405), defining CSR is challenging for several reasons: First, the concept of CSR is essentially contested, complex and has open rules of application. Second, it is an umbrella term for business-society relations. Third, it stands for a highly dynamic phenomenon. With respect to these difficulties and different conceptualizations available (for a recent overview, see Aguinis/Glavas 2012), I adopt a rather broad definition of CSR as “context-specific organizational actions and policies that take into account stakeholders’ expectations” (Aguinis 2011: 855) to contribute to a socially and environmentally sustainable and just society.

In this context, multinational corporations (MNCs) are of particular interest since, first, their CSR practices have increasingly institutionalized in recent years. For instance, MNCs are expected to regularly publish a CSR report or related information on their CSR strategy or different CSR policies. Such information has become increasingly sophisticated and complex (see Baumann-Pauly et al. 2013); second, these CSR practices are increasingly strategically-orientated and to a greater extent integrated in (versus separated from) the corporations’ core business activities; third, as recent studies (see e.g. Bondy et al. 2012; Boxenbaum 2006) demonstrate, this leads to tension and conflict between different institutional logics within business organizations and one can assume that CSR is going through a phase of instability. The task of ensuring the stability of CSR and challenging the relationship between business and society in MNCs often falls upon “*CSR professionals*”.

In practice and the literature, job titles of practitioners in the field of CSR, sustainability, and ethical business vary (see Maak/Ulrich 2007: 495). Subsequently, I will use “CSR professional” (or CSR manager) as a collective term for staff members whose main job task is to promote and manage CSR in their organizations. CSR managers are regarded as change agents because they seek to develop and implement CSR as a

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taken-for-granted way of doing business. Over the past years there has been a steady professionalization of CSR-related functions. Such a professionalization manifests itself for example in the rise of specialized practitioner conferences or “CSR roundtables”, specific auditor trainings for instance for the ISO 14001 or 26000 standards, as well as Master, Ph.D., and executive education programs, including a body of literature on “CSR education” (see Bondy et al. 2013; Matten/Moon 2004; Moon/Orlitzky 2010).

While researchers have studied the forces operating outside the corporation at the macro- and inter-organizational level (for an overview see Campbell 2007: 948), the focus on CSR managers enables considering the mechanisms inside the corporation as possible drivers of change toward responsible business practices (see Mitchell et al. 1997; Aguilera/Jackson 2003; Aguilera et al. 2007). This intra-organizational approach allows closing a “knowledge gap” (Aguinis/Glavas 2012: 953) by moving individual actors into the center of our attention, respectively “(...) those who actually strategize, make decisions, and execute CSR initiatives” (ibid.). Aiming at understanding the role of individual actors leads to the following general research question: *How do CSR professionals develop and implement CSR within MNCs?*

To answer this general question, the empirical analysis is led by research sub-questions: First, by challenging the dominant economic logic, CSR practices increasingly lead to tension and conflict in MNCs (see e.g. Bondy et al. 2012; Boxenbaum 2006). Such conflict and tension manifests itself in the form of internal organizational barriers hindering the implementation of CSR (see Olsen/Boxenbaum 2009). Second, being confronted with internal barriers to the development and implementation of CSR, professionals develop and apply tactics in their day-to-day interactions with different colleagues in order to promote specific organizational practices (see Daudigeos 2013). Based on the preceding considerations, the following two questions arise:

1. Which organizational barriers do CSR professionals confront in developing and implementing CSR?
2. Which tactics do CSR professionals apply to develop and implement CSR in a MNC?

During the Ph.D. project the conceptual lens of institutional theory is used as it allows analyzing the way boundaries between business and society are constructed and how CSR affects the broader field of economic governance (see Brammer et al. 2012: 3).

2. Institutional Work

“Institutional work represents one of the most active and thriving frontiers in institutional theory“ (Hwang/Colyvas 2011: 2) as the concept has laid the ground for focusing on both the purposeful and the everyday actions through which actors attempt to disrupt, maintain, or create institutions (see Muzio et al. 2013: 700). While early work of institutional theory highlights the constraining effect of institutions on actors (see e.g. Meyer/Rowan 1977; Zucker 1977), institutional work allows strengthening institutional theory “by bringing work activity, social interaction, and local meaning-making back into the picture” (Hallett 2010: 66).

Institutional work is theoretically based on the concept of the “institutional entrepreneur” (DiMaggio 1988) and the work on “strategic responses to institutional processes” (Oliver 1991). Further, it connects to sociological practice theory (see Bourdieu 1977; Giddens 1984) which has focused on how actors handle their everyday challenges. The interest of research in the field of institutional work is concerned with „sets of practices through which individual and collective actors create, maintain and disrupt the institutions of organizational fields“ (Lawrence/Suddaby 2006: 220). Actors engaged in institutional work are thereby characterized by reflective purposefulness (see Lawrence et al. 2013: 1029) as this was originally emphasized as a defining characteristic of the concept (see Lawrence et al. 2013; Lawrence/Suddaby 2006; Lawrence et al. 2009).

3. Institutional Perspective on the Professions

With regard to the issue of who engages in institutional work (see Lawrence et al. 2013), an institutionalist perspective on the study of the professions, their work, and organization has been developed (for a recent summary, see Muzio et al. 2013). The theoretical lens of institutional work seems appropriate as it allows capturing the complex balance between reflexivity and agency involved in processes of professional change (see Muzio et al. 2013: 709). At its heart lies the assumption of a positive relationship between professionalization and institutionalization which is implicitly based on work in the sociology of the professions (see Johnson 1972; Larson 1977; Burrage et al. 1990). Following that work, Suddaby and Viale (2011: 436) conclude two principles: First, professionals are key drivers of institutional change as they form new alliances, compacts and strategic relationships with institutions that can assist in their professionalization projects. Second, professional projects are intimately connected to projects of institutionalization because professions colonialize collateral institutions to secure their status and survival.

While established theories face the difficulty of connecting professional work to organizational context (see Suddaby et al. 2007; Suddaby et al. 2009), institutionalists argue that “not only have professionals adapted well to working in large bureaucracies, they also seem to have developed a schizophrenic ability to conform to the pressures of their employing organization while, simultaneously, using the resources and power of the organization to initiate profound social change at the level of the organizational field” (Suddaby/Viale 2011: 427). Several studies provide insight into the way professions reconfigure the structures and practices of their employing organizations with reference to their own professionalization project (for an overview, Muzio et al. 2013: 710f.).

Suddaby and Viale (2011) as well as Lefsrud and Suddaby (2012) model the way professions struggle for jurisdiction and control over a social and economic sector. Their model illustrates how these actors bring about institutional change by “linking changes in professional practice and organization to broader societal transformations” (Muzio et al. 707): First, professionals restructure institutions by creating or opening up new spaces for their expertise. For instance DiMaggio (1991) shows how museum curators were able to reconfigure the structures and practices of their employing organizations in their favor and meanwhile redefine the logics of the museum respectively create the

national museum as an institution. The way professionals develop new practices illustrates Daudigeos (2013) in the case of health and safety and Hoffman (1999) by the example of corporate environmentalism. Second, professionals populate existing social spaces with new actors by creating new corporate structures such as corporatized large international law firms (see Empson et al. 2013) or creating new professional roles like the corporate environmentalist (see Hoffman 1999) or the health and safety manager (see Daudigeos 2013). Third, professionals set boundaries and influence the rules governing contiguous fields in their favor to pursue their professionalization projects. “Thus they create new occupations, subordinate others, institutionalize new practices, and redefine relational patterns and power hierarchies within a broader area of activity” (Muzio et al. 2013: 707). Fourth, professions ensure social capital and sustain social standing by governing access to key positions in organizational and occupational hierarchies (see *ibid.*).

In sum, this model reflects the generally held assumption in the literature that institutional work which is carried out by a profession and resulting field level changes are aligned with fostering the professions’ position and influence in the institutional field they inhabit.

4. Research Strategy

By seeking to elaborate existing theory on institutional work of professionals, I use a grounded theory approach which serves as an overall method for systematically gathering and analyzing data (see Suddaby 2006: 636). Its methodological procedure fits to the research interest which aims at (further) developing theory of a topic while simultaneously grounding it in empirical data (see Glaser/Strauss 1967). Additionally, grounded theory is particularly helpful in capturing a richer understanding of organizational phenomena (see Dougherty 2002).

In order to answer the overall question *‘How do CSR professionals develop and implement CSR within MNCs?’* the research encompasses three phases which are all characterized by “the constant comparative method” (Suddaby 2006: 636). Such a method is distinguished by the permanent interplay between data collection and analysis. Following that logic, the framing of separate phases, each including discrete and sequential categories of data collection and analysis, hangs together with the sake of clarity rather than with the idea of a grounded, interpretive research approach:

“In pure form, grounded theory research would be presented as a jumble of literature consultation, data collection, and analysis conducted in ongoing iterations that produce many relatively fuzzy categories that, over time, reduce to fewer, clearer conceptual structures (...)” (Suddaby 2006: 637).

In an *initial phase* I review existing literature and conduct unstructured interviews to collect data and gradually build my knowledge of the area (see Strauss/Corbin 1990). Working on CSR for many years, interviews with CSR consultants, sustainability analysts, regulators etc. provide further information about CSR in general and the role of CSR professionals in particular. This phase aims at building up ‘substantive theory’ which “(...) is a strategic link in the formulation and generation of grounded formal theory (...). The latter (substantive theory) not only provides a stimulus to a “good idea”

but it also gives an initial direction in developing relevant categories and properties and in choosing possible modes of integration” (Glaser/Strauss 1967: 79).

A *second phase* encompasses semi-structured, face-to-face expert interviews with CSR professionals from various sectors. As the CSR domain includes job titles and functions in various areas, I begin the empirical investigation by using a categorization based on keywords (see Strand 2013) to define CSR professionals and to theoretically sample informants which I then individually approach. The word composition of position titles is helpful as these titles are indicative for a function per se and serve as a proxy for the entire field of activity. Further, all respondents must have a position or function in a MNC which is in charge of including social and environmental concerns into business operations as well as interactions with stakeholders. Companies are sorted according to annual sales revenue and then I select companies that operate in more than three countries worldwide to ensure their MNC status. They are headquartered in Germany or Switzerland and are publicly traded to ensure the best possible availability of public information. At this point in time, the type of semi-structured, face-to-face interview is an appropriate instrument of collecting data as it creates an opportunity for the interviewees to reflect their own role (see Duarte 2010: 358). This in turn prompts more spontaneous and richer responses which stimulate the researcher to engage in more intensive reflective “brainwork”, as they “ponder the impressions and deliberate on recollections and records” of their research (Stake 2005: 449f.). Not at least, “[...] access to the real-life experiences of organization members allows (me) *[inserted by the author]* to look at the everyday efforts of institutional workers to develop their ability to create, maintain, or disrupt institutions” (Daudigeos 2013: 727).

A *third phase* is sector-specific and focuses on CSR professionals within the financial industry. Building on the previously gathered data, I collect further sectorial data as it allows complying with the key component of the constant comparative method which is the critical evaluation of emerging constructs against ongoing observations (see Suddaby 2006: 636).

In particular, this phase includes semi-structured expert interviews with CSR professionals, the collection of publicly available corporate documents (corporate web pages, codes of ethics, codes of conduct, sustainability reports, annual reports, etc.) and contextual interviews with e.g. managers of analyzed MNCs, sustainability analysts, representatives of trade organizations, regulators, NGOs. Speaking to actors involved in the institutionalization process of CSR to explore their interpretations of relevant values and practices is important for identifying the form of an institution within a corporation (see Bondy et al. 2012: 285).

During all three phases I follow the systematic methodology of grounded theory which enables the discovery of theory by moving across levels of abstraction (see Martin/Turner 1986). In face of the bulk of unstructured data, analysis is supported by the software program ATLAS.ti which is tailored to the grounded theory approach (see Muhr 1991).

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