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Arora, B.; Kourula, A.; Phillips, R.

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Emerging Paradigms of Corporate Social Responsibility, Regulation, and Governance: Introduction to the Thematic Symposium

Bimal Arora¹ · Arno Kourula^{2,3} · Robert Phillips⁴

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Introduction to the Thematic Symposium

Over the last decade, corporate social responsibility (CSR) has experienced a “governance turn” as scholars began examining the institutionally embedded nature of CSR (Brammer et al. 2012; Campbell 2007; Matten and Moon 2008; Waddock 2008). This was also a period when foundational work in institutional and political CSR appeared, including Habermasian approaches (Scherer and Palazzo, 2007), corporate citizenship (Matten and Crane 2005), and corporate accountability through multi-stakeholder initiatives (MSIs) (Gilbert and Rasche 2007). Simultaneously, scholars utilizing post-colonial insights began surfacing the negative effects of CSR (Banerjee 2008). In short, CSR has emerged as an important part of a wider field of institutions governing the corporation and the economy, perhaps even as a *mode of governance* in itself (Brammer et al. 2012, p. 3). The aim of this thematic symposium of the *Journal of Business Ethics* is to contribute to and further these debates and highlight some questions still remaining to be addressed.

The governance turn has led to substantial growth in research using institutional theory to examine CSR (Pisani et al. 2017). CSR as an institutionally embedded phenomenon is often understood as either a form of institutionally induced self-regulation by firms and/or industries, or private, voluntary regulation of supply chains in the transnational sphere by large multinational firms. Such private and voluntary regulation in the transnational sphere contributes to global governance processes, in response to a perceived

absence of a global governing authority (Djelic and Etchan-chu 2015; Fransen and Kolk 2007; Sheehy 2015).

Perhaps as a result of this growing research on corporations as citizens, political actors, and participants in multi-stakeholder initiatives, there is greater awareness of remaining and newer complexities and tensions evident in both business-driven and multi-stakeholder forms of governance (Levy 2008). Such governance initiatives are usually played out at the transnational level, where the form, meaning, intention, and implications of CSR remain highly contested (Brammer et al. 2012; Kourula et al. 2018). Even on their own terms as heuristics and frameworks, the notions of corporations as citizens and political actors as well as multi-stakeholder forms of governance by non-state actors remain plagued by a multitude of challenges (Arora 2017; Goodman and Arenas 2015; Hussain and Moriarty 2018; Sethi and Schepers 2014; Utting 2014; Whelan 2012). While the developing world, in some instances, may have experienced economic gains from the practices of outsourcing and offshoring by modern multinational firms, there has also been a simultaneous rise in global, regional, national, and local inequalities, destruction of the environment, a diminished biodiversity, and inappropriate application of technologies (Margolis and Walsh 2003; Wilks 2013). Multi-stakeholder forms of governance have not been able to solve these negative impacts. The viability of their aims, the lack of representation in their processes, and their questionable effectiveness remain debated. This thematic symposium addresses these challenges and debates and the four papers highlight and theorize some of these issues of the emerging paradigms of CSR, regulation and governance.

Alexander (2019) expands on lead firm governance in global value chains and global production networks. She examines sustainable practices in buyer-driven industries and across different stages of production, particularly related to lower-tier suppliers. She offers important insights about new governance approaches utilized by lead firms. Her research suggests that the lead firms work through vertical

✉ Robert Phillips
rp.richmond@gmail.com

¹ Aston Business School, Aston University, Birmingham, UK

² University of Amsterdam Business School, Amsterdam, The Netherlands

³ Aalto University School of Business, Espoo, Finland

⁴ Schulich School of Business, York University, Toronto, Canada

buyer–seller links and/or develop new horizontal relationships, which link lead firms with lower-tier suppliers and governance processes in suppliers' local productive systems. She proposes five types of governance mechanisms involving vertical and/or horizontal links.

Many studies across disciplines demonstrate challenges around labor issues in global supply chains. Lee et al. (2019) propose a collaborative governance framework, suggesting it as an alternative governance type. Such a collaborative governance involves a coalition among competing firms aimed at increasing the relational leverage over suppliers and/or host country specific labor issues. The authors examine the rationale behind such collaborative governance initiatives and discuss opportunities and challenges.

Graz et al. (2019) review the effectiveness of transnational private governance on labor standards and emphasize the role of labor agency. They argue that the relationship between transnational private regulatory initiatives and labor agency depends on three particular competences. They then develop a framework for a hybrid production regime to examine workers' capacity to act at the local level. This, they argue, depends on the institutionalization of capital-labor relations between the transnational and national levels.

Jackson et al. (2019) examine the effects of non-financial disclosure on CSR. They conceptualize trade-offs between two ideal types of regulation in relation to CSR. Their analysis of data from 24 OECD countries shows that, on the one hand, firms in countries that require non-financial disclosure adopt significantly more CSR activities. On the other hand, they find that the regulation on non-financial disclosure does not influence corporate irresponsibility of firms. They go on to discuss the limits of mandatory non-financial disclosure in addressing regulatory trade-offs between stringency and flexibility in the field of CSR.

Remaining Challenges

While research on the institutional governance of responsible business conduct is on the rise (Kourula et al. 2019; Pisani et al. 2017), questions remain. For example, what types of actors are—and should be—involved in organizing collaborative governance? How is transnational regulation understood and implemented nationally? How are understanding and implementation affected by local insights? The interactions, tensions, and contestations between local, national, and transnational levels of governance need further research and theorizing (Alamgir and Banerjee 2018; Ford and Gillan 2017; Goodman and Arenas 2015; Manning et al. 2012; Wijen 2014). Particular attention is needed to the largely missing voices of the governed or marginalized (Banerjee 2018; Draude 2017; Ozkazanc-Pan 2018) and inclusivity of stakeholders in

developing and emerging economies, where CSR as a mode of transnational governance usually plays out (Arora et al. 2019; Utting and Marques 2009). Scholars also increasingly recognize and call for corporations to collaborate with government and various non-state actors in dealing with grand challenges (Ferraro et al. 2015; George 2016). In this issue, Alexander (2019) explores processes within global production networks; Lee et al. (2019) examine interactions between competing firms; Graz et al. (2019) emphasize the role of labor; and Jackson et al. (2019) highlight the importance and limits of national institutions and regulation.

Perhaps the most challenging task for scholars is understanding and evaluating outcomes of CSR as a mode of governance. Further research is needed to determine whether private and voluntary governance and self-regulation are impactful and effective. Scholarly evidence on the outcomes of CSR as a mode of governance (self-regulation by firm and/or industry, and multi-stakeholder governance) present a mixed picture. The literature highlights opportunistic firm behavior (Christmann 2004; Christmann and Taylor 2006; King and Lenox 2000; King et al. 2005), some benefits (Jayasinghe 2016), but also limitations of private regulations (Locke 2013; Malhotra et al. 2019; Sethi and Rovenpor 2016; Vogel 2010). Research also examines the possibility for corporate capture of MSIs (Bartley 2018; Hussain and Moriarty 2018; Khan and Lund-Thomsen 2011) and the hollowing out of the role of government (Burgoon and Fransen 2018). Much of this work casts doubts on the legitimacy and credibility of CSR as self- and private regulation and need further research. Given only limited exchange and collaboration among academic disciplines and sub-disciplines, and the multidisciplinary nature and the use of CSR as forms of regulation and governance (Wouters et al. 2013), forging cross- and multidisciplinary research collaborations can advance the conceptual and theoretical understanding of business ethics and CSR, and contribute to effective conduct, regulation, and governance of corporate and organizational behavior.

Graz et al. (2019) and Jackson et al. (2019) offer useful starting points in understanding how outcomes are linked to institutionally embedded actors and their interactions. Research and theorization on outcomes may require moving beyond CSR as a mode of governance and/or regulation and gaining expertise and inspiration from other fields such as international relations, law, political science, and sociology (Ciepley 2013; Kourula et al. 2019). Insights from other fields are likely to be useful in understanding both the complexity of interactions and considering the local marginalized voices. Cross-sector partnerships and their limitations remain an important topic, though still in need of better links to regulation and governance. Ultimately, we need to continue to problematize how each new paradigm perceives

institutions and associated politics, actors, processes, their interactions, and the outcomes of these interactions.

Conclusion

With an interest in furthering scholarship on emerging paradigms of CSR, regulation, and governance, this thematic symposium includes papers that provide perspectives on CSR as an institutionally embedded phenomenon and as a mode of governance. These papers highlight and theorize the interface and role of corporations, governments, and non-state actors in this institutional arena. The thematic symposium also opens new directions and frontiers for future research including problematizing existing frameworks, understanding institutionally embedded actors and complex processes, and questioning the politics and outcomes of these processes at different levels of analysis.

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