

CSR research day: « Thinking, designing and publishing your CSR research »  
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**ON THE PURSUIT OF IDEOLOGICAL ENDS THROUGH POWER-BASED MEANS:  
*RECONSIDERING STAKEHOLDER PRESSURES FOR CORPORATE SOCIAL CHANGE***

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# Contextual Introduction

# Contextual introduction:

## Under-explored stakeholder side of business and society relationships

- **Impact of corporate demonstrations of responsible behaviors on the formation of stakeholder attitudes** (e.g. Ellen et al., 2006; Sen et al., 2006; Turban and Greening, 1997)
- **Acknowledgement of various stakeholder tactics to influence corporate social change (CSC) initiatives: campaigning, boycott and 'buycott', lobbying, etc...**
  - **Models aimed at understanding “why” and “how” stakeholders engage in influence attempts nonetheless still in relatively short supply** (Rowley and Moldoveanu, 2003)
  - **Time to adopt a more stakeholder-based, external focus on business and society relationships** (den Hond and de Bakker, 2007; Vogel, 1995)

# Contextual introduction:

## Research on stakeholder influence: Existing contributions

1. **'Traditional': straight utilitarian- and interest-based perspective**  
(e.g. Frooman, 1999; Frooman and Murrell, 2005; Hendry, 2005; Tsai et al., 2005)
2. **'Emerging': social movement and identity / institutional theories**  
(e.g. Aguilera et al., 2007; Rehbein, Waddock and Graves, 2004; Rowley and Moldoveanu, 2003)

## **Contextual introduction:**

### **Research on CSC-oriented stakeholder influence: three main limitations**

- 1. Many research efforts on stakeholder influence don't specifically consider CSC-oriented influence**
- 2. Specific research efforts still address "how" and "why" dimensions of CSC oriented influence in a fairly fragmented way**
- 3. Prevalence of research efforts on the "how" question → studies often built on ambiguous motivational assumptions attributed to stakeholders**
- 4. Specific (empirical) research efforts typically focus on restricted stakeholder categories**

# Objectives

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1. Reconsidering fundamental motivations (“why”) underlying stakeholder CSC-oriented influence
  2. Integrating “why” and “how” dimensions of stakeholder CSC-oriented influence into a comprehensive, consolidate approach
  3. Enlarging the focus of previous studies by empirically considering multiple categories of stakeholders
- Theory refinement goal: sharpen and extend existing theory

Conceptual background

# Conceptual background:

## Stakeholder-based CSR as a contested notion

- ***Companies have next to their economic and legal obligations, also certain ethical and discretionary responsibilities to constituent groups other than stockholders and which extend beyond these obligations and their own direct interests*** (Carroll, 1979; 2008; Jones, 1980; McWilliams and Siegel, 2001).
- **‘Conservative’ criticisms: ‘*CSR has no sense*’**
  - **CSR is a fundamentally subversive doctrine: corporate responsibility is primarily economic** (Friedman, 1962; Sternberg, 1994; Henderson, 2001)
  - **Property rights**
  - **Social welfare expected to result from private wealth creation**
- **‘Progressive’ criticisms: ‘*CSR is not enough*’**
  - **CSR falls prey of the vagaries of the market** (Doane, 2004; Roddick, 2007)
  - **Inadequate to generate universally beneficial social structure and ensure common good** (Melé, 2002)
  - **Fairly ineffective to define the role companies should play in the global playing field** (Matten and Crane, 2005; Scherer et al., 2009; Velasquez, 1992).

## **Conceptual background:** **CSR as a value- and ideology-laden notion**

- **Whether a company is perceived to be acting fairly and living up to its social responsibilities is in large part dependent upon the nature of one's ideological orientations** (Watson, 1997)
- **The CSR notion is value-laden and susceptible to particular ideological interpretations** (Aupperle et al., 1985)

# Conceptual background:

## CSR as a value- and ideology-laden notion

- Ideologies represent “*relatively coherent set of beliefs about how the social world operates, including ideas about what outcomes are desirable and how they can best be achieved*” (Simons and Ingram, 1997: 784)
- At the organizational level, ideologies have been highlighted as...
  - ... **affecting strategic choices and goals** (Gray and Ariss, 1985; Stabuck, 1982), **forms, practices and power structures** (Beyer, 1981; Meyer and Starbuck, 1993; Simons and Ingram, 1997)
  - ... **reflecting the social experience in a particular context at a particular time** (Dunbar et al., 1982)
  - ... **conditioning influence processes between organizations** (Simons and Ingram, 1997, 2004)

# Methodology

# Research method and design

- **Case study research method to address both “how” and “why” questions in a holistic perspective** (Lincoln and Guba, 1985; Yin, 2003)
- **Focus on social actors’ interpretations of this contemporary phenomenon in their natural environment (i.e. social actions and structures;** Bonoma, 1985, Yin, 2003)
- **Multiple case (2) design with a replication logic**
- **Study of company-stakeholder interactions** (cf. Van der Meer-Kooistra and Vosselman, 2006) **at two large European-based companies (i.e. “Home” and “Netdial” )**

# Data sources and analysis

- **Extensive desk research**
- **Informal interviews with managers at Home and Netdial**
- **Formal semi-structured stakeholder interviews with open-ended design** (Blee and Taylor, 2002)
  - **21 interviews with Home stakeholders / 27 interviews with Netdial stakeholders**
  - **Inclusion of organizational, community and regulatory stakeholders** (see Henriques and Sadorsky, 1999)
  
- **Analysis informed by grounded theory** (Strauss, 1987), **though with support of some prior theory and non-technical literature** (Strauss and Corbin, 1998)
- **Three-level coding process on transcripts (642 pages) to bring concepts together under superior levels of abstraction** (Spiggle, 1994; Strauss and Corbin, 1988)
- **Back and forth movement from data, through theory, to emerging conceptual notions and vocabulary**

# Findings

# Stakeholder ideological orientations and perceived corporate ideological orientations

1. Coexistence of conflicting ideological orientations within companies' stakeholder networks with respect to the role and duties of companies in the social world
  - Across stakeholder categories but also within a priori more homogeneous stakeholder categories (i.e. organizational/community/regulatory)
2. For both Netdial and Home cases, differences in stakeholder perceptions of the companies' ideological orientations with respect to their role and duties in the social world
  - Across stakeholder categories but also within a priori more homogeneous stakeholder categories

# Ideological discrepancies and stakeholder rationales for CSC-oriented influence

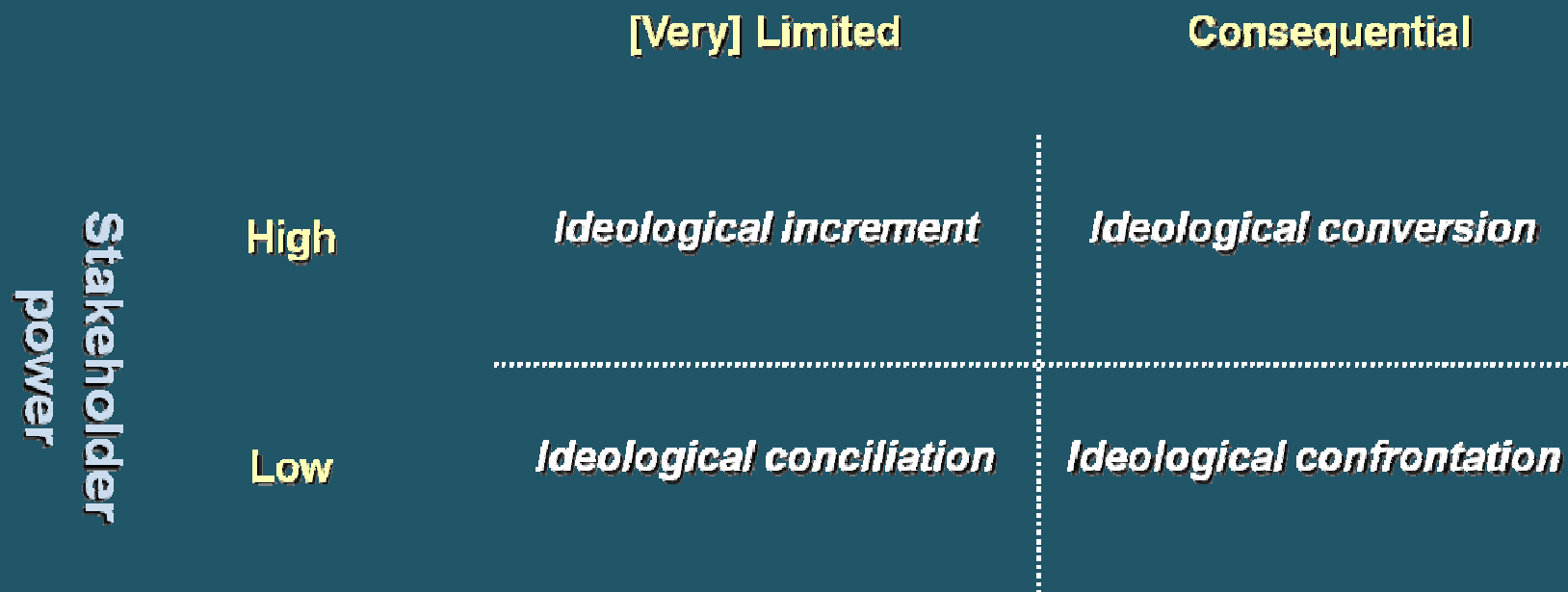
		Stakeholder CSR-related ideological orientations		
		Conservative	Moderate	Progressive
Perceived CSR-related ideological orientations of the company	Conservative	<p><b>Conservatives' agreement</b></p> <p>Ideological rationale for CSC-oriented influence: <b>Very limited</b></p>	<p><b>Social shortage</b></p> <p>Ideological rationale for CSC-oriented influence: <b>Limited</b></p>	<p><b>Social void</b></p> <p>Ideological rationale for CSC-oriented influence: <b>Consequential</b></p>
	Moderate		<p><b>Moderates' agreement</b></p> <p>Ideological rationale for CSC-oriented influence: <b>Very limited</b></p>	<p><b>Social shortage</b></p> <p>Ideological rationale for CSC-oriented influence: <b>Limited</b></p>
	Progressive			<p><b>Progressives' agreement</b></p> <p>Ideological rationale for CSC-oriented influence: <b>Very limited</b></p>

# Stakeholder ideological orientations and perceived corporate ideological orientations

- Level of perceived and actual stakeholder power over the organization considerably affects CSC-related influence ambition
  - *“The probability that one actor within a social relationship would be in a position to carry out his own will despite resistance”* (Weber, 1947: 152)
- Power conditions organizational ability to influence sets of beliefs, attitude and behaviors of a target (Pfeffer, 1981; Mintzberg, 1983)
  - At Home and Netdial, ‘high’ power stakeholders realize that their expectations are more likely to be considered
  - Stakeholder CSC-related influence ambitions are power-dependent

# Stakeholder CSC-related ambitions patterns

## Ideological rationale for CSC-oriented influence



# Stakeholder power base(s) and influence strategies

- **Type of CSC-oriented influence strategies are conditioned by the power base(s) (cf. Etzioni, 1964) of stakeholder organizations**
  - **Coercive power basis → physical resources of force, violence or restraint**
    - *« do it or you'll be sorry »*
  - **Utilitarian power basis → material, financial & human resources**
    - *« do it and you'll gain / won't lose something »*
  - **'Pure' normative bases → symbolic resources (values, esteem, ritualistic symbols)**
    - *« do it because it is right to do it »*
  - **Socio-normative power basis → symbolic resources (social acceptance and response)**
    - *« do it because others want you to do it »*

# Stakeholder CSC-oriented stakeholder strategies

## Stakeholders CSC-related ambition patterns

*Ideological rationale for CSC-oriented influence: [Very] limited*

*Ideological rationale for CSC-oriented influence: Consequential*

**Ideological increment<sup>1</sup>**

**Ideological conciliation<sup>2</sup>**

**Ideological conversion<sup>1</sup>**

**Ideological confrontation<sup>2</sup>**

**Stakeholder power basis**

**Coercive**

*Requisition*

*Admonition*

*Enforcement*

*Mischief*

**Utilitarian**

*Inducement*

*Deterrence*

**'Pure' normative**

*Persuasion*

*Indication*

*Proselytism*

*Objection*

**Socio-normative**

*Reward*

*Punishment*

<sup>1</sup> Stakeholder power = High

<sup>2</sup> Stakeholder power = Low

**Soft and accomodative strategies**

**Competitive and adversary strategies**

## Discussion

## Key considerations

- Stakeholder ideological orientations, CSC-oriented influence ambitions and power base(s) can evolve
  - Subsequent preferred influence strategies are not immutable
  
- Power base(s) are not exclusive of each other
  - Stakeholders typically combine CSC-oriented influence strategies

# Contributions

1. “Why” and “how” central questions integrated through a consolidated approach of CSC-oriented influence
2. Empirically-based model applicable to the analysis of every stakeholder CSC-oriented influence initiatives
3. Goes beyond traditional utilitarian- and interest-based conceptualizations and restates business and society relationships as to be apprehended in a value-laden and ideological perspective

# Questions?

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*“You have your ideology and I have mine.”*

Kahlil Gibran, 1923

*“The realization of most societal goals, even in situations in which the actor’s commitment and knowledge are considerable, requires the application of power.”*

Amitai Etzioni, 1968